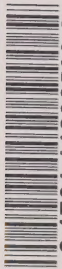


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The North Pickering Project

**Study of the Potential Future
Distribution of Service Industries
in the Toronto Region**
[Background Paper No. 13]

April, 1975



Ontario

Ministry of
Housing



Prepared for
The North Pickering Project
and
Metropolitan Toronto Planning Department
by
Peat, Marwick and Partners
and
IBI Group

This report was prepared as background material in the Planning of The North Pickering Planning Area and does not necessarily constitute a recommendation of the North Pickering Project nor approval of the Government of Ontario.



Ministry of
Housing

Queen's Park
Toronto, Ontario

North Pickering Project,
950 Yonge Street, 10th Floor,
Toronto, Ontario.

May, 1975.

RE: Distribution of Background Papers
Economic Planning


Please find enclosed a copy of the following reports:

- Study of the Potential Future Distribution of Service Industries in the Toronto Region
- Urban Employment for North Pickering

Thank you for your interest.

BLD:cb

Beryl L. Dymond, (Mrs.)
Economic Planning Co-ordinator.



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Ont. North Pickering Project
Background paper, no. 13

Study of the Potential Future Distribution of Service Industries in the Toronto Region [Background Paper No. 13]

April, 1975

Prepared for
The North Pickering Project
and
Metropolitan Toronto Planning Department
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Peat, Marwick and Partners
and
IBI Group

PEAT, MARWICK AND PARTNERS

AND

IBI GROUP

Mrs. Beryl L. Dymond
Economic Planning Coordinator
North Pickering Project
950 Yonge Street
Toronto, Ontario

Mr. George Peter
Director, Long Range
Planning Division
Metropolitan Toronto
Planning Department
335 Bay Street
Toronto, Ontario

Dear Mrs. Dymond :
Mr. Peter

-
Study of the Potential Future Distribution
of Service Industries in the Toronto Region

We are pleased to submit our final report on the Study of the Potential Future Distribution of Service Industries in the Toronto Region jointly carried out by Peat, Marwick and Partners and the IBI Group on behalf of the North Pickering Project and the Metropolitan Toronto Planning Department.

The study was initiated in October 1974 and a draft report presented to you on February 17, 1975. This final report takes into account the comments which you have forwarded to us on the draft report as well as a more detailed preparation of the quantitative results obtained in the course of the two surveys which we conducted.

In reading our report, you will find that we had to remain fairly general in several instances. This is due to the relative scarcity of data on service employment; the fact that the samples which we used

for our surveys were too small - for budgetary reasons - to allow for statistical inferences; the fact that much of the insight was gained from the personal interviews which we had to use professional judgement to interpret in a broader context.

With these considerations in mind, you will find that we were able to derive some significant conclusions with respect to the future distribution of service employment in the Toronto Region.

First, we found that the downtown core provides a unique environment for some service industries within which to conduct their business. This environment is one that permits intense person-to-person contact and considerably simplifies the way in which business is carried out. For this reason, downtown will continue to be the single most attractive location for offices in the Region.

Second, we found that a large number of the existing downtown offices are small in size which would exclude any possibility for them to seriously consider moving some of their functions out of the downtown core to peripheral locations. Conversely, a definite potential exists for some of the large office users to consider transferring some of their functions to peripheral sites.

Third, the potential for a suburban location appears to be greatest with newly established or diversifying firms, i.e. firms not yet located downtown, or growing firms.

Fourth, we also identified as possible candidates for allocation at peripheral sites insurance companies; data processing systems; research and development establishments; branches of international corporations; some not essentially head office functions of existing large downtown firms; regional and sales offices; airport-related industries; and some government functions.

Fifth, we concluded that it may be desirable to develop a regional strategy in terms of the future distribution of service employment. This strategy should focus on the type of firms that should be encouraged to locate at the periphery and where. In addition, we suggested that some co-ordinating body, patterned after the London, England "Location of Offices Bureau", be established to act as facilitator for those firms seeking locations outside the downtown core.

Sixth, we made a series of planning suggestions for the North Pickering Project. These suggestions are designed to maximize the chances of attracting a significant number of service firms to the New Community's Town Centre. These suggestions are to be found on pp.49-52 of our report.

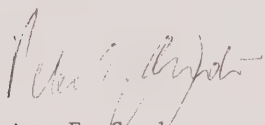
By way of a general conclusion, we found that certain factors appear to be of overwhelming importance in making suburban sites attractive to office users. The first one is a triple transportation factor: to downtown, to other parts of the Region and locally to attract employees. The second one is housing which should be varied enough in the vicinity so that all levels of employees may have an opportunity to move nearby. The third one, related to the first two, is the availability of a diversified

labour force in the vicinity. A fourth important factor is the easy access to professional and technical support services and the availability of amenities - e.g. hotels, restaurants, clubs, shopping - in the vicinity.

Our study has led us to conclude that attracting service employment to suburban locations, particularly relatively new and undeveloped ones such as North Pickering, will not be an easy task and a substantial amount of well organized planning measures would be necessary for the success of the endeavour.

We are delighted to have had the opportunity to assist you in this most important study and hope that our findings will help you in the formulation of your plans for the North Pickering Community and Metropolitan Toronto.

Yours very truly,



Peter E. Sandor
Partner
PEAT, MARWICK AND PARTNERS



Russell Gwilliam
Director
IBI GROUP

STUDY OF THE POTENTIAL DISTRIBUTION
OF SERVICE INDUSTRIES IN THE TORONTO REGION

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- A. Review of Literature on the Office Industry
- B. Selected Information Obtained from the
"Outside Downtown" and "Downtown" Surveys
- C. Questionnaire Used in "Outside Downtown" Survey
- D. Questionnaire Used in "Downtown" Survey

STUDY OF THE POTENTIAL DISTRIBUTION
OF SERVICE INDUSTRIES IN THE TORONTO REGION

INTRODUCTION
AND BACKGROUND

This report presents the results of the study of the potential distribution of service industries in the Toronto Region jointly carried out by Peat, Marwick and Partners and the IBI Group on behalf of the North Pickering Project of the Ontario Ministry of Housing and the Metropolitan Toronto Planning Department. The study was initiated in October 1974 and completed in February 1975.

Study Objectives
and Terms of Reference

As defined in the terms of reference, the objective of the study was to identify the conditions necessary for business and management service industries to locate outside the Central Business District but within the Toronto Region.

The aims of the study were therefore to gain an understanding of the locational distribution of existing service industries and the reasons for the choice of locations; changes which are taking place in locational choices or in the separation of the operations of specific firms between different locations; changes in the future which are being planned by specific firms or which would be feasible.

The applications of this information could be:

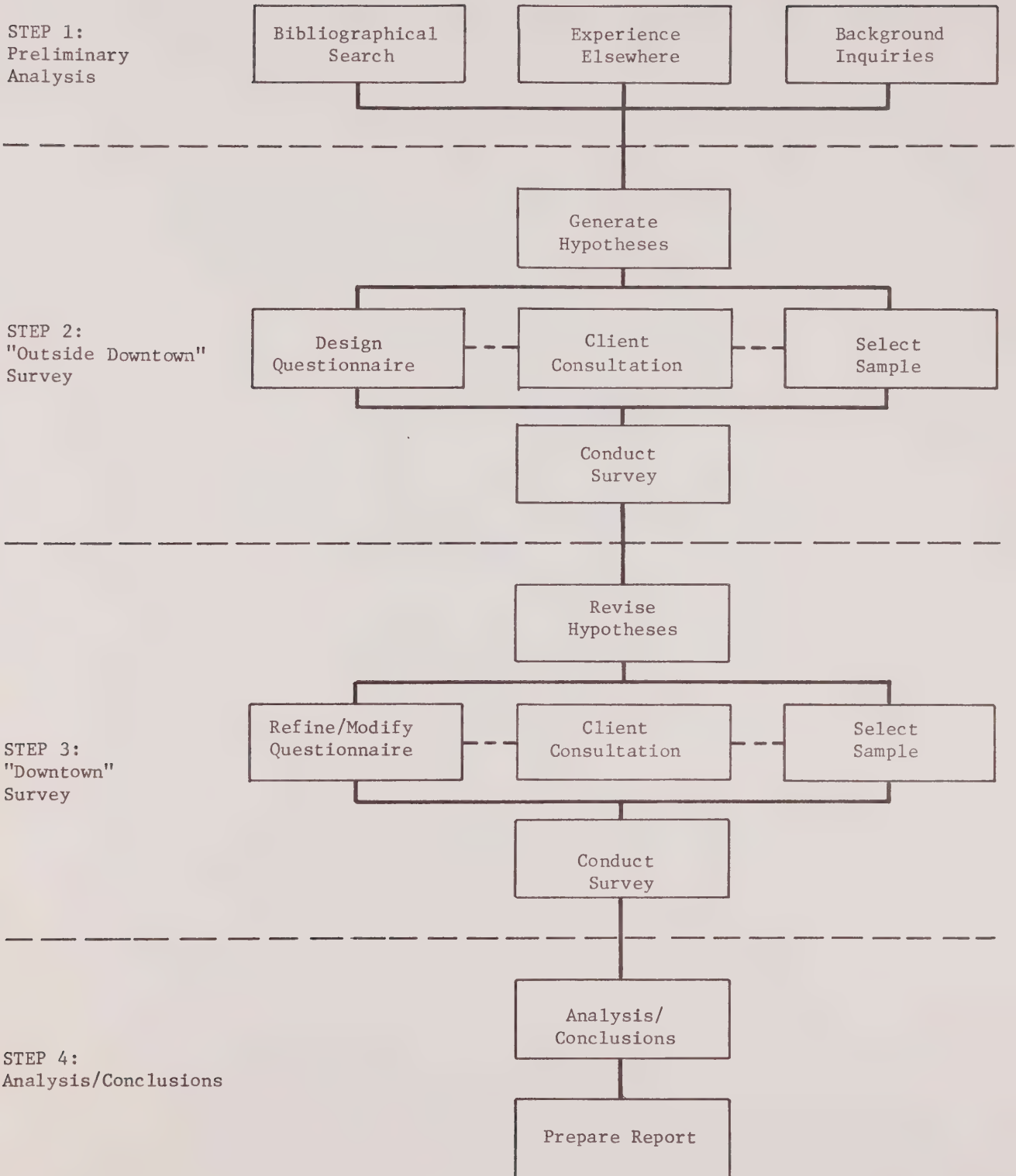
1. To enable an assessment to be made of the possible future growth of business centres at various locations in the region and the planning measures which could be taken to bring about any desired growth at given locations.
2. To induce such growth in selected business centres outside downtown Toronto in accordance with the provincial policy contained in the Toronto-Centred Region Plan, thereby to bring about a wider regional distribution of job opportunities and economic functions and a better balance between different types of industry in various parts of the region.
3. Conversely to #2, to restrain any excessive growth or concentration of employment in the downtown area of Toronto.

Business and Management
Service Industries

The July 31, 1974 terms of reference outlined in detail the types of industry to be considered in the study. They are "industries and types of firms or portions of such industries and firms, carrying out administrative, managerial or professional functions and not serving primarily a local district, but a wider regional area". They are subsequently referred to as "Business and Management Service Industries".

The industries considered were thus essentially those which could carry out their functions from an office building location. These include most of the service sectors (excluding government and institutions) and the administrative/management functions of the manufacturing, mining/resources and trade sectors (head office functions, for example).

EXHIBIT 1
STUDY APPROACH



from various sources. Most of the published work on locational considerations related to the service industries appears to have been generated in the United States and Britain. Attempts were made to obtain documentation from Canadian sources but little is available. Also, contact was made with organizations in France to obtain information on current decentralization programs but no information was forwarded from those sources during the course of the study. The key findings from this phase of the work, and a bibliography of sources consulted are presented in Appendix A to this report.

Little data on service sector industries is available compared to what is available in relation to the manufacturing sectors. Nevertheless, we were able to obtain a substantial amount of useful information related to employment in the service sector, as well as square footage of office space. Sources for this data included Statistics Canada, the TARMS Data Bank, various government publications, planning agencies in the Region, current and previous studies carried out by our firms, real estate agents and developers and other miscellaneous sources. We also were able to make use of some of the data developed by our associate, Dr. Gunter Gad of the University of Toronto, in his studies of the office industry in the downtown core of Toronto. The most relevant information has been included in the body of the text and in Appendix B to this report.

As a general comment on this phase of our work, we must underline the great scarcity of information available on service employment. This is especially true for the Canadian situation in general and Toronto in

particular, but it also applies to other countries such as the United States and Britain.

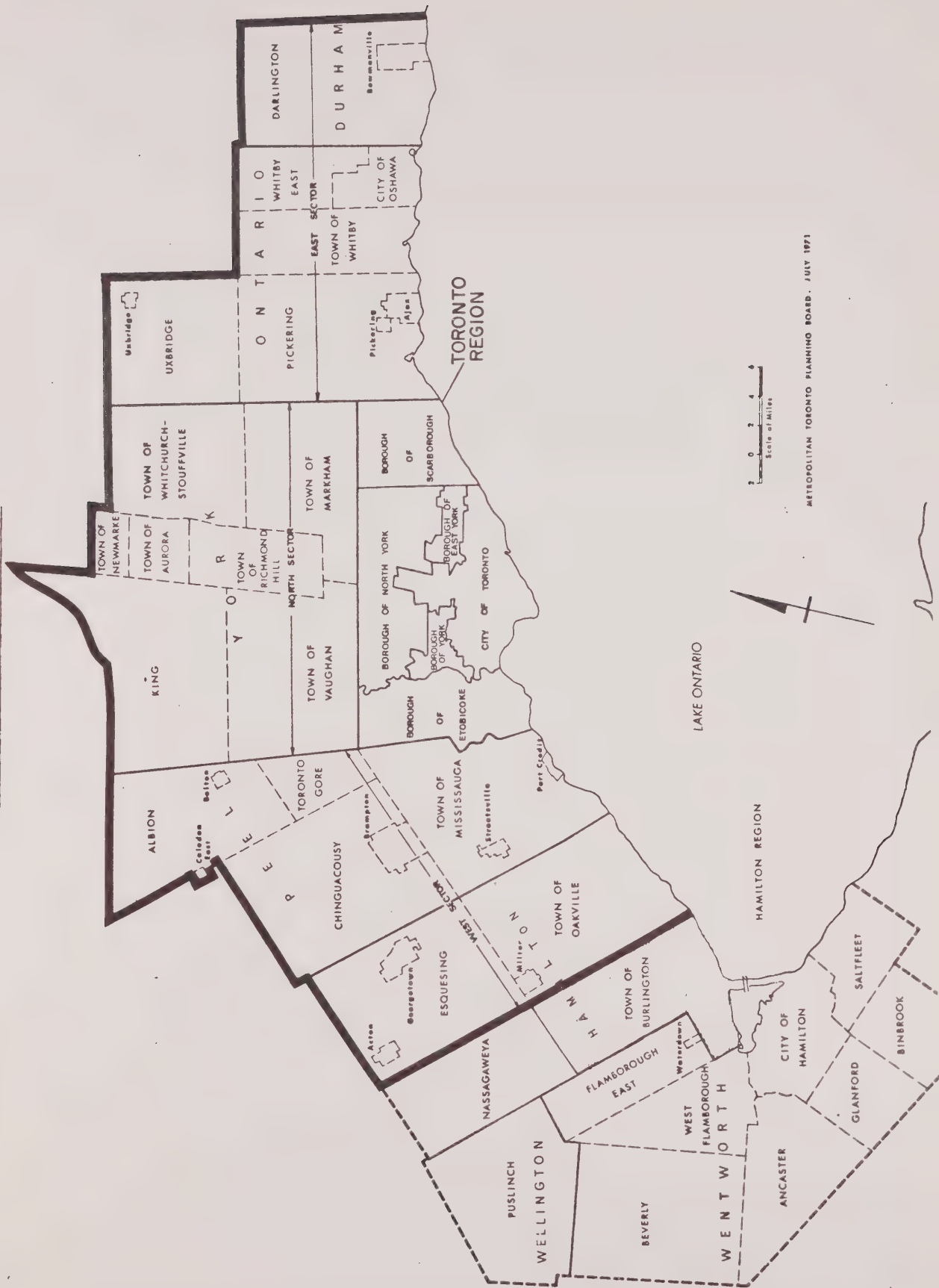
"Outside Downtown"
Survey

A total of 67 firms were approached to participate in the "Outside Downtown" Survey. Some 54 firms were successfully interviewed while 14 firms did not participate. The reasons for not participating ranged from direct refusal through to an inability to set up a convenient interview time. Generally, however, most firms were very co-operative and in fact spent considerable time and effort ensuring that the information supplied was accurate. All the firms in the sample were sent a questionnaire, a copy of which is included as Appendix C to the report. They were then contacted and a personal interview with a responsible officer of the firm was conducted.

The participating firms fell into the following broad categories:

- transportation/communications/utilities
- land development/real estate/property management
- consultants (engineering, planning, architecture, acoustics)
- financial institutions (banks, trust companies, investment dealers)
- printers/publishers
- labour/trade organizations
- insurance

EXHIBIT 2 - THE TORONTO REGION



METROPOLITAN TORONTO PLANNING BOARD, JULY 1971

- advertising
- data processing/systems
- lawyers
- manufacturers (head office)
- research laboratories
- miscellaneous.

All of these firms were located outside the boundaries of the City of Toronto but in the Toronto Region as shown in Exhibit 2, opposite. The distribution by location was as follows:

- Mississauga	15
- Richmond Hill	4
- Thornhill	4
- Markham	1
- Oshawa	8
- Etobicoke	1
- North York	21
- York	1
- Scarborough	12
- Oakville	1

Although it would have been desirable to stratify the sample according to various characteristics of the firms such as size, type, location, proximity to transportation facilities, function (e.g. head office or branch), and ownership type (e.g. Canadian or foreign-owned), the relatively small size of the sample imposed by time and budgetary constraints made this impossible.

We did however attempt to break down the sample among municipalities in such a way as to approximately reflect each municipality's share of the total business and management service employment to be found outside the downtown core. As no reliable data exists on this type of service employment by municipality, we relied on indirect sources to try and estimate orders of magnitude. The sources which we used include the TARMS data bank of the Ontario Ministry of Transportation and Communications, industrial directories, telephone directories and information from local planning offices. Because of the approximate nature of these sources, we cannot estimate what proportion of the total amount of business and management service employment was represented in our sample.

Our terms of reference specifically excluded population-oriented, institutional and government services from our study. They were directed toward the business and management services. Our research indicates that the major concentration of employment in this type of service outside the downtown core is in the remaining areas of Metropolitan Toronto. Mississauga and Oshawa are the only two municipalities within the Toronto Region but outside Metro Toronto with a sizeable employment of this type.

Within Metropolitan Toronto, the three outer boroughs, Etobicoke, North York and Scarborough, have a fairly large number of office jobs, with significant differences among them. Etobicoke's service employment is largely population-oriented with some higher-order services and some head office functions which tend to be near the airport - and are highly

airport-related - or along the major transportation corridor bounded by the Lakeshore and Bloor Street. Scarborough's service employment is somewhat similar to Etobicoke's but it tends to be scattered throughout the borough.

North York, on the other hand, has two areas with a very high concentration of high order services and head office functions, Don Mills and Willowdale. Indeed, at the present time, Don Mills is the only major service centre in the Toronto Region outside the downtown core. There are some three and one-half million sq. ft. of office space in Don Mills, mostly concentrated in about 45 office buildings. In comparison, there are only three such buildings in central Mississauga, for a total of some 300,000 to 350,000 sq. ft.

Because Don Mills has such a large amount of office development, we deliberately limited the number of firms allocated to North York in the sample in order not to unduly bias the sample. Likewise, we gave Scarborough a slightly higher number than called for by its estimated share in order to get a representative cross-section of firms in the eastern part of the region.

Downtown Survey

The approach used in this survey was essentially the same as that used for the "Outside Downtown" survey. A modified version of the questionnaire sent out to suburban firms was sent to downtown firms. It is included as Appendix D to this report. Some 74 firms were approached

EXHIBIT 3

BREAKDOWN OF DOWNTOWN SAMPLE OF FIRMS

BY INDUSTRIAL CATEGORIES

<u>INDUSTRY GROUPING</u>	<u>RESPONDENTS</u>	<u>TOTAL SAMPLE</u>
Transportation/Communications/ Utilities	6	7
Land/Real Estate/Property Management	4	5
Consultants	6	6
Financial Institutions	4	5
Printers/Publishers	4	4
Labour/Trade Organizations	1	1
Advertising	4	4
Data Processing/Systems	2	2
Lawyers	2	2
Research/Laboratories	0	0
Banks/Trust Companies	5	6
Accountants	2	2
Insurance - Life	2	2
Insurance - General	2	2
Agents/Brokers	2	2
Commercial (head)	4	5
Mining (head)	3	3
Manufacturing (head)		
Oil	2	2
Food	2	5
Chemicals	1	1
Metals	1	2
Machinery	2	2
Paper	2	2
Gypsum/Cement	1	1
Glass	1	1
Miscellaneous	-	0
TOTAL	65	74

and only 9 declined to participate. The refusals were usually based on a misunderstanding of the study objectives. These firms believed that by agreeing to participate in the survey they would be expressing an interest in a future transfer to North Pickering, which was not the case.

We were able to more systematically stratify the downtown sample because of its larger size and the concentration of all firms in one well defined geographical area. The same categories were used as in the suburban survey with the addition of offices of mining and commercial (retail and wholesale) firms and a further breakdown of manufacturing head offices by seven industrial sectors. These industrial sectors correspond to those best represented in the manufacturing head offices located in the downtown core of Toronto. Exhibit 3, opposite, shows a breakdown of the sampled firms by each industrial category.

In each category, to the extent possible, firms were selected to ensure a variety of sizes and functions (head office, regional office, branch office). An attempt was made to include firms having decentralized some of their functions and firms with all activity concentrated at the one location. We also took into consideration location by selecting 35% of the sampled firms in the area north of College Street and the remaining 65% in the area south of College Street. The latter is the financial district for Toronto, while the former has many characteristics similar to the more peripheral locations included in the "Outside Downtown" Survey.

Analysis and Synthesis

The questionnaires and interviews from the two surveys were analyzed with a view to identifying the following:

- comparative advantages and disadvantages of central and peripheral locations
- problems attached to either type of location
- potential for locating certain activities outside the downtown core
- particular requirements of each industry type
- type of environment required to attract each type of office users to a peripheral location.

The results of this analysis were then compared to the general conclusions identified in the literature in order to draw conclusions that would be valid beyond the firms included in the sample. We feel that this is the only way in which we can derive general conclusions on the basis of such a limited sample. Because of the small sample size, however, it is not possible for us to make statistical inferences and consequently most of our conclusions cannot be quantified. We have, however, included in Appendix B a number of tables describing the most significant information gathered in the two surveys in quantitative terms. Once again, the values shown on these tables only apply to the two samples and cannot be assumed to reflect general averages for the service sectors in the Toronto Region.

MAJOR FINDINGS

Our major findings are presented under the following five main headings:

- Factors Favouring a Downtown Location
- Factors Favouring a Suburban Location
- Potential Candidates for Peripheral Locations
- Factors Leading to a Decision to Decentralize
- Specific Criteria for Site Selection Outside the Core.

FACTORS FAVOURING A DOWNTOWN LOCATION

The following factors were identified by our analysis to favour a downtown location.

Concentration of Decision-Makers

The single factor mentioned by nearly all firms as being the most significant advantage of downtown over any other location is the heavy concentration of high level decision-makers within a very small perimeter. This allows for a very high degree of person-to-person contact and for business to be transacted quickly and efficiently. Small firms appeared to be slightly more sensitive to this factor than larger ones as they felt that their proximity to major decision-makers made it easier for them to carry out their business.

The need for personal contact was emphasized by most firms generally in relation to transactions involving financial matters. Considering that four of the five largest Canadian banks have recently made heavy investments in office buildings in the King and Bay area, they clearly intend to keep their base of operations at that location. This in turn indicates that many firms will choose to remain downtown in order to stay in close proximity to the banks.

This concentration of decision-makers in the downtown core permits all aspects of business to be conducted in a highly efficient manner. The opportunity for person-to-person contact is only one aspect of this efficiency. Another one is the possibility of having fast inter-office exchanges through the use of messenger services and couriers, thereby avoiding the use of slower means of communication such as the Post Office. Other aspects are the ability to set up meetings on very short notice and the many opportunities for informal and unscheduled contacts (in the street, at restaurants, at clubs, etc.).

Prestige,
Visibility

Prestige of location and building is important for many of the firms interviewed. Most downtown locations are felt to meet this requirement, particularly those at the heart of the financial district, i.e. the King and Bay area. Conversely, certain suburban locations were clearly perceived as not being prestigious enough to be worthy of consideration.

Amenities

This is one of the most significant factors which we have found to give downtown a significant competitive edge over the suburban areas. The proximity of shopping facilities is considered to be very important for employees. Many firms in the sample expressed concern about losing their clerical staff if such facilities were not available in the vicinity of the office. Likewise, many firms emphasize the need for good hotels and restaurants nearby to entertain clients and out-of-town visitors.

Other types of amenities mentioned as very important by several of the firms surveyed are the business clubs and associations. A large part of the business of many firms is transacted in these places. Indeed, one of the very major firms interviewed indicated that nearness to the Toronto Club was one of the major factors that led them to a decision to remain in the downtown core rather than move to the Don Mills/401 area. This aspect is very closely linked to the first one mentioned, i.e. the concentration of decision-makers. It is this concentration that makes possible the existence of the many clubs and associations to be found in the downtown core.

Transportation

Downtown enjoys a very high level of transportation service of all types. The level of transit service is high compared to most suburban areas. Road access is good but congestion is starting to become a significant nuisance. A number of firms in the downtown core have adopted flexible hours to counter the effect of congestion. In addition, many firms that make heavy use of the airport feel that by being downtown

they enjoy a level of accessibility to the airport second only to areas immediately adjacent to Malton Airport.

In comparison, many of the suburban firms have expressed dissatisfaction with public transportation service in their areas. Most of the complaints focus on the lack of transit service but in some areas road access is also felt to be insufficient, particularly in relation to the local road system.

Staff
Availability

Because of the high level of accessibility that downtown enjoys and because of the related amenities that are found in the downtown core, firms in the downtown area have relatively little difficulty finding staff for their offices. This is not true in some of the peripheral areas where there appears to be a problem in recruiting and keeping lower-skilled and lower-paid employees. This is due to the fact that these employees often cannot afford housing in those areas and have to commute to work. As soon as opportunities open closer to their place of residence they choose to leave. Hence, a relatively higher turnover rate for clerical/technical staff in suburban locations. One factor which is however helping suburban firms is the availability of female labour made up of working wives in the suburbs who do not want to travel downtown. This was felt to be a significant factor by some of the firms interviewed.

Financial, Legal, Accounting
and Related Services

The availability of these services within short walking distance

in the downtown area was found to be of significant importance. The corresponding lack of such services in peripheral locations was seen by many firms as a significant problem.

It must, however, be pointed out that most of these services, except the major banks and financial institutions, are followers rather than leaders. This means that with a sufficient concentration of firms in a suburban centre, many of these services would move or open branches to take advantage of this potential market. This has happened in the Don Mills area and is now happening in Mississauga where a major accounting firm and a major securities dealer have opened branch offices to serve Mississauga area clients.

Support Services

Such services as printing, data processing, temporary help, delivery, office machine repairing and catering are more readily available in the downtown core than they are in the suburban regions. In some cases, this is a very important consideration. However, these services, just like the professional support services mentioned earlier, are followers rather than leaders. They would therefore move to locations where there is a sufficiently large market to serve. Don Mills and Mississauga are examples of this happening.

The need for these support services cannot be underestimated. Some firms for example, indicated that the lack of adequate major postal facilities near them seriously hindered their businesses. Likewise, a low level of service for waste collection was mentioned as a serious problem by a data processing firm which generates a lot of paper waste.

Special
Institutions

We include in this category all specialized institutions such as courts, some government agencies, customs and the Toronto Stock Exchange.

The firms which make heavy use of these institutions, except for some government agencies, are highly specialized. They will therefore always be found in their vicinity. For example, legal firms would want to be close to the courts or within easy commuting distance.

The Toronto Stock Exchange was not found to be a significant attractor. Because most of the information generated there is transmitted over wire services, physical proximity does not appear to be as mandatory as might be assumed.

Government agencies represent a more complex situation. Firms relate to government agencies in a variety of ways and the nature of this relationship determines the extent to which physical proximity is a necessity. We have found that access or proximity to municipal agencies is not considered to be very important except for certain firms - such as small consultants - who have them as major clients.

Many firms, particularly in the resource-extracting and financial sectors, are subject to Provincial and/or Federal regulations. They, therefore, considered a high level of interaction with Provincial and/or Federal agencies essential. They did not however, feel that physical proximity was necessary but rather that good access was sufficient. Indeed, most downtown firms in that situation felt that Ottawa was almost

as accessible as Queen's Park because of the good air services from Malton and the convenient access to Malton from downtown.

Proximity to Queen's Park was considered essential by only one of the firms interviewed. This firm is in the newspaper publishing business and a large portion of the news it carries is generated at Queen's Park.

Other firms in downtown indicated that they found the proximity of Queen's Park convenient either because they have business dealings with or supply services to certain Provincial agencies; or because they rely heavily on information supplied by Provincial agencies; or because they are affected by certain Provincial decisions and want to be close to the decision-making process.

To conclude, we have found that few firms considered physical proximity to government agencies essential. On the other hand, many firms which have to deal with Federal and/or Provincial agencies felt that a downtown location was most convenient as it gave them excellent access to Ottawa (by air) and/or Queen's Park.

FACTORS FAVOURING A PERIPHERAL LOCATION

The findings presented above seem to suggest that the downtown core at the present time enjoys a marked advantage over peripheral areas. We have found this to be the case in general but we have identified some factors which seem to give an edge to suburban areas, particularly for

some specialized activities which we will describe later on. The factors that appear to favour suburban areas over the downtown core are listed below.

Traffic

The lack of congestion on highways and roads seems to be a major advantage for a suburban location. Most of the travel required for commuting or for business goes in the directions opposite to the downtown rush hour traffic.

A second aspect mentioned as a significant advantage in the suburbs is the availability of parking space at low cost. Although relatively few people in proportion to the total drive to work in downtown, parking is a problem and it is expensive. Most suburban firms have free or inexpensive parking space provided at their location.

A third factor under this heading is related to future transportation facilities. People believe that congestion is going to worsen in the downtown core as they do not expect any major freeways or arterials to be built in the near future. On the other hand, many of the suburban firms interviewed are very aware of existing transportation plans and often have made their decision on the basis of the future provision of transportation facilities.

Accommodation Cost

A distinction has to be made between two kinds of cost that a typical office has to incur. A first cost is related to the office facility.

itself. A second cost to the storage facilities required in support of the office.

Surprisingly, although accommodation costs for office space were, on the average, lower in the peripheral areas as compared to the downtown core, the difference was found to be relatively insignificant. In fact, some firms located in very prestigious buildings in downtown were paying a lower rent per sq. ft. than some firms in suburban locations. These are of course exceptions. In some cases, extremely good terms were offered in the lease to attract those firms to the particular suburban location. But as a general rule, we did not find that the cost differential was as significant as might be intuitively expected.

The cost of storage space is a different matter. Because of the high demand for office accommodation in the downtown core, storage space has to be rented at costs that are nearly as high as the cost for office rental. This does not appear to be the case in the suburban locations sampled.

Premises

In suburban areas, the opportunity is greater to have better quality premises. This is so because they can be designed to the specifications of the tenant, something which, because of cost, is nearly impossible to do in the downtown core. Also, because the suburban areas are comparatively less constrained in terms of the existing environment, there is an opportunity for more flexibility and innovation in the design

of the office buildings. For example, better landscaping can be provided and the overall design can be of better quality.

Such a thing as having the building named after the major tenant is also easier to obtain in the suburbs. Whereas no suburban office building can be expected to be as prestigious as, say, the Toronto Dominion Centre, suburban locations can give more "visibility" to a building. Buildings located near major highways enjoy a high degree of visibility. Also, a location near the ground access corridors to the airport has that advantage.

A final, very important factor related to premises, is the availability of room for expansion. Most firms in the downtown core are constrained by the lack of opportunity to expand on site. This is usually not the case at suburban locations. Firms that have moved to the suburbs have been able to either rent or acquire or take an option for more space than they presently require in anticipation of future expansion. We have found that in some cases, this was a source of additional revenue as the firms were able to sublet their extra space at a profit. Although this phenomenon is also found in the downtown core, it occurs less frequently as the high demand for prime office space makes it more difficult for firms to acquire or hold on to extra space.

Commuting

It has been the experience of most of the firms interviewed in the peripheral areas that, following the move to their present location, after a period of adjustment of some six months to two years, their

employees tended to locate in the vicinity of the office. This means that the move to the suburbs has led to an overall reduction in commuting on the part of the employees. Most firms feel that this is a desirable objective and are quite happy with that development.

Of course, there are problems related to the availability of housing in the surroundings. In places like Mississauga, housing is too expensive for some of the lower-paid employees who then have to commute to work usually from Metropolitan Toronto. As mentioned earlier, this has led in some cases to a higher turnover rate for that category of personnel. Overall, however, firms outside the downtown core are satisfied that their personnel turnover is at a reasonably low rate. Their problem is more one of availability - i.e. finding personnel with the right qualifications - than one of turnover - i.e. keeping their personnel once on the staff.

Access to Airport

A large number of the firms interviewed both in the downtown core and outside indicated that they were heavy users of Toronto International Airport. The downtown firms felt that downtown was an extremely good location in terms of its accessibility to the airport. Most suburban firms felt the same way except for those in very remote locations which, in any case, were not heavy airport users. Some firms located on the 401 felt that at certain times of day access to the airport was difficult because of congestion. This, however, would also be true for the downtown firms. Although the results of the survey indicate that airport access is not a

major problem for downtown firms, most of the firms interviewed in the western part of the region listed proximity to airport as one of the main factors that led them to choose that particular location.

Amenities

The amenities available at suburban locations are different from the ones that are found downtown. For example, hotels, restaurants, clubs, and shopping facilities are not as varied and as good as the ones in downtown.

In some cases, however, it was found that certain amenities only available in peripheral locations were considered to be significant advantages for those locations as compared to downtown. Examples are enclosed shopping centres which permit convenient shopping in the winter. This advantage, however, is fast disappearing with the development of underground shopping facilities linked by underground pedestrian walkways in the downtown core.

Other examples are golf clubs which, in some areas, play a similar role to the downtown business clubs. Also the nearness of most of the peripheral locations to outdoor recreational areas can be a significant advantage. Some firms indicated that people have the opportunity to take part in some outdoor recreational activity after work, something which is difficult if one works downtown.

EXHIBIT 4

SIZE CHARACTERISTICS OF SELECTED
CATEGORIES OF OFFICE USERS

	<u>Number of Offices</u>	<u>Average Size</u>	<u>Median Size</u>
Banks	34	252	85
Trust Companies	16	175	87
Finance Companies	122	15	5
Investment Services	168	44	20
Insurance - Life	117	88	15
Insurance - General	65	70	42
Insurance - Mixed	12	168	155
Insurance - Agents	215	11	4
Insurance - Others	28	9	7
Real Estate	192	11	5
Law Firms	816	8	2
Accountants	195	19	5
Management Consultants	182	8	6
Advertising	136	22	8
Public Relations	66	6	3
Industrial Designers	76	7	4
Personnel Agencies	149	5	4
Other Business Services	112	14	6
Architects and Planners	114	10	4
Engineering Consultants	176	16	5
Radio, T.V. & Motion Picture	119	28	9
Publishers	146	35	5
Associations	435	11	4
Mining Companies	163	14	4
Manufacturing Companies	246	46	8
Transportation	191	24	6
Utilities	24	377	121
Miscellaneous	409	8	N/A
TOTAL:	4724	23	6*

* Includes Government Offices

Source: Personal Communications from Dr. G. Gad

EXHIBIT 5

SIZE DISTRIBUTION OF
DOWNTOWN OFFICES

<u>Number of</u> <u>Employees</u>	<u>Number of</u> <u>Offices</u>	<u>% of Total</u> <u>Office Employment</u>
1-3	1766	36.4
4-7	1304	26.9
8-20	987	20.3
21-50	398	8.2
51-150	242	5.0
151-400	94	1.9
401-1100	45	.9
1101-1958	16	.3

Note: Government offices are included in the above table

Source: Personal Communications from Dr. G. Gad

POTENTIAL CANDIDATES
FOR PERIPHERAL LOCATIONS

Based on our analysis and the interviews conducted, we have come to the conclusion that a number of firms are potential candidates for a location to areas outside the downtown core of Toronto. We have found that the propensity to decentralize is more likely to be related to structural or particular characteristics of firms, regardless of their sector of activity with a few exceptions. These potential candidates are listed below.

Newly Established or
Diversifying Firms

As shown on Exhibits 4 and 5, opposite, only about 8% of the downtown offices employ more than 50 employees in their office and more than 63% employ less than 8 employees in their office. This demonstrates that there is a large number of small offices in the downtown area. The small offices either represent large firms that are already decentralized - this is the case of most of the manufacturing head offices that have been interviewed - or small firms that are not big enough to think of decentralizing some of their functions and would either transfer the whole operation or stay where they are.

This would seem to indicate that the potential for decentralizing existing office employment out of the downtown core is relatively limited particularly since most of the large offices are those of firms with a vested interest downtown, such as their own buildings (e.g. banks). The potential appears to be much stronger in relation to future growth and future employment.

Thus, the principal candidates for location in suburban areas would appear to be firms that are establishing offices in the Toronto area, firms in growth sectors whose present staff in the downtown office will be increasing substantially in the future, and small firms whose links with larger firms are so strong that they would have to follow such larger firms should these decide to decentralize.

Insurance Companies

We have found that insurance companies are prime candidates for suburban location. Analysis of the distribution of insurance companies in the greater Metropolitan Toronto Region indicates that they are scattered throughout the Region without any definite geographical pattern. Also, some of the major Canadian insurance companies are located in relatively smaller towns such as Waterloo, London, Winnipeg, Wawanesa. In other countries, the same pattern is apparent. In the United States, for example, a great many of the insurance companies are located in Hartford, Conn. and some are scattered throughout New Jersey in relatively small communities.

This would seem to indicate that the head offices of insurance companies, particularly life insurance companies, are relatively self sufficient and do not require a large amount of physical interaction with the greater business community. An examination of functions carried out in head offices of life insurance companies seems to confirm that fact. Typically, seven functions are carried out in the head office of a large insurance company. They are:

- actuarial
- marketing
- accounting
- investment management
- legal services
- underwriting
- administration.

Of these functions, only the investment management may require extensive contact with the business community. However, it is a well-known fact that insurance companies are required to invest a large portion of their assets mostly in bonds and mortgages rather than in stock and therefore their need to be in close contact with brokerage houses is not as great as might appear.

For these reasons, we have concluded that insurance companies, whether newly established or existing, and particularly the life insurance companies which tend to be the largest, could be attracted to decentralized locations in the Toronto Region under appropriate conditions. Indeed, a number of them are already located in Don Mills and in Scarborough.

Data Processing Systems

Computer systems do not require to be located in the vicinity of the users. Because of remote terminals, it is now easy to access any computer system from any location provided that adequate transmission lines are provided. Computer systems are therefore prime candidates for locations in suburban areas since their location does not adversely

affect their operation. Such systems are already located in Don Mills and Mississauga and a company doing a large proportion of the Toronto data processing business has its computer in Ottawa with direct lines to Toronto.

As mentioned, the main requirements for computer systems is the existence of transmission channels with adequate capacity. Should such transmission lines be provided in a suburban town centre, this would make the location attractive for other types of data processing systems. For example, credit card centres could be established in the vicinity of such computer centres so as to share the transmission lines.

In relation to the North Pickering Community, this could make the proposed town centre attractive for some office functions of the airlines since they could use those transmission lines to hook up to their world-wide computerized reservation system.

As the computer industry is a growing sector, it is quite likely that new computer centres will be required in the next few years. Some of these could be attracted to suburban town centres.

Research and
Development
Establishments

From our analysis, we have determined that research and development (R&D) establishments are prime candidates for decentralized locations. This conclusion is based on the interviews, literature, and information which we received from the Ontario Research Foundation, responsible for the establishment of Sheridan Park Research Centre in

Mississauga. Locational criteria for research and development establishments can be summarized as follows:

- many firms prefer to have their research facilities located away from their plants so that they can focus on the research rather than on "troubleshooting" on a day-to-day basis
- research establishments need to be located in areas where there is good rail, road and air communications as this enables R&D staff to travel easily to conferences, universities, manufacturing plants and head offices, and also for the transportation of materials where appropriate
- R&D staff generally tend to seek certain cultural, social and educational interests that are usually provided in town centres.

R&D establishments are either located near large manufacturing complexes that they serve, as separate entities at their own location or in special R&D parks, i.e. areas where R&D facilities are developed in close proximity to each other in a manner similar to an industrial park. In the Toronto Region, one such park already exists, the Sheridan Park Research Centre. It was established in 1967 by the Ontario Research Foundation. It encompasses 340 acres with some ten research facilities located in it and only some 40 acres on it left for sale. It is estimated that by 1980 the park will be full and there is very little room for expansion of the park, especially in view of the present policy to maintain a relatively low density of development. It is therefore conceivable to envisage the need for another Sheridan Park type of facility around 1980. This is difficult to predict since it depends largely on the growth and location of research and development activity in Canada,

and on whether Sheridan Park will continue to discourage high density of development.

At this time, a large proportion of industry in Canada is foreign controlled and it is common for these Canadian subsidiaries to utilize the research and development resources of their parent companies. With increasing attention being paid to the question of foreign ownership, it is conceivable that the growth of Canadian owned companies will be accompanied by a greater need for Canadian-based R&D facilities. Due to the importance of Canadian R&D, it is also likely that research by foreign owned companies in this country will increase. Government-supported R&D can also be expected to grow. On the other hand, it can be predicted that Ontario's share in R&D will decline as Alberta, British Columbia and possibly other resource-rich provinces may offer better opportunities.

It is our view that, on balance, a moderate growth in R&D can be predicted for the Toronto Region.

Branches of International Corporations in Selected Sectors

Although the small size of our sample cannot permit us to generalize we have found in some instances that branches of international corporations might not be as closely integrated into the Toronto business community as corresponding Canadian firms. They therefore will not require the intense person-to-person contacts offered by the CBD.

We found, for example, that an American owned finance company relied on its parent company for a substantial proportion of the funds

it requires to operate. This company raises comparatively small amounts on the Toronto market. It is therefore conceivable that such a company could move away from the financial core without too many problems.

A research establishment, also American owned, indicated that their major need was for quick and easy contact with the parent firm's corresponding facility in the United States. For this firm and other U.S. owned corporations, access to an international airport is the major consideration.

Head Office Functions

Other than in the industrial sectors discussed above, it is possible that some firms would consider moving their head office to a developing suburban town centre. Univac has done so in Mississauga. We have concluded that these will be exceptional cases and it is unlikely that major banks, for example, would ever do so in view of the major investments that some of them have made in major downtown office buildings. The high degree of interaction existing between financial institutions - particularly banks and trust companies - guarantees that for the foreseeable future the financial centre of the Region will remain solidly implanted in downtown Toronto. As pointed out earlier, this reduces the chances of having many firms relocate their head office outside the downtown core.

Much more likely is the decentralization of some of the functions presently carried out in head offices and which are not absolutely

essential to decision making which is the fundamental function carried out in a corporate headquarters. Many firms have already done so, others are considering it. As we pointed out earlier, the large number of small offices in the downtown core seems to suggest that not too many firms are left that can potentially decentralize their activities. There is, nevertheless, potential for the future as the existing small offices in the downtown core continue to grow in size and run out of space.

Among the activities that are prime candidates for decentralization are:

- accounting and purchasing
- data processing
- sales management and marketing
- engineering and research activities
- payroll and personnel management
- administration of fleet, where applicable

In our interviews, we found that firms considering decentralization of some functions would either transfer them to existing facilities which they already have outside the downtown core, or in close proximity to them in order to minimize inter-office travel time. This is particularly true of manufacturing firms with plants in the region and head office downtown. These firms usually have additional space available at their plants and would transfer those specialized office functions into that surplus space.

This suggests that suburban town centres in close proximity to existing manufacturing plants might be quite attractive for the firms owning those plants. This, in turn, suggests that to enhance the chances of those suburban town centres in successfully attracting office development, manufacturing development should be encouraged in the vicinity.

Regional/Sales Offices

Most large firms are organized on a regional basis. That is, in addition to the corporate head office function, they might have an Ontario regional office function; a Toronto regional office function; or even a sub-regional office function. Many firms combine these various functions in the corporate head office. But many others, for example the major oil companies, have moved their Ontario regional office out of the corporate head office. Smaller companies have not done so yet but some can reasonably be expected to do it as they continue to grow and run out of space at their corporate headquarters. Great attention should be given to attracting these regional offices to the proposed suburban town centres.

The foregoing applied to regional head offices of major companies. The same is true of sales offices for firms in various sectors. Our interviews indicate a definite trend towards moving the sales functions out of the downtown area. This is true of almost all industrial sectors. Again, regional sales offices are prime candidates for sub-regional town centres.

Another category of firms with an organizational structure based on geographical considerations is made up of the various utilities such as telephone and hydro. Their regional offices perform some of the head office functions, such as accounts, but also have a very significant role as interfaces with the public. As such, they belong more to the population-serving category than to the business and management services category. They can nevertheless be accommodated in office buildings and, as major employers, can contribute significantly to making a town centre viable.

Airport Related Activities

Under this heading, we include all activities that are directly related to air transportation. Examples are, of course, the airlines but also the freight forwarders and customs brokers. Apart from the airlines, most of these firms can now be found in the vicinity of Malton Airport. With the new international airport at Pickering going ahead, many such firms will be attracted to North Pickering.

The airlines are a different matter. They carry out technical functions on the airport site and their management and sales functions from downtown offices. No airline has its head office in Toronto and none of the Toronto offices of airlines, except Air Canada, are large enough to consider at this time splitting their management and sales operations between downtown and the North Pickering area. And because of the nature of their business, they need a strong downtown base, close to their main markets.

It is, however, conceivable that in the future some airlines may consider pooling some of their functions particularly their reservation systems to ensure better efficiency and economies of scale. This would amount to the sharing of computer facilities and the related professional and maintenance operations. North Pickering could prove a very attractive location for such facilities if they ever come about.

Government Functions

Although the study of Government organizations was specifically excluded from our terms of reference, we have concluded from our review of the literature that Government agencies can play a significant role as office users in contributing to the viability of a town centre. Just like large corporations, Government departments and agencies have many functions that can be decentralized. Indeed, the fact that the Ontario Ministry of Transportation and Communications is located at Highway 401 and Keele shows that whole Government organizations could be decentralized without seriously affecting their ability to function. It is suggested that serious thought should be given to implementing a policy of decentralization of Government bodies to sub-regional town centres.

This policy would have significant effect, not only because of the Government employment transferred to suburban locations, but also because, as government functions move out, they are likely to be followed by organizations that strongly interact with them. What we are suggesting is that Government act as a leader to be followed by those firms whose business largely depends on proximity to certain Government bodies.

The Government functions to be transferred would of course be those that do not require a central location and whose ability to serve the public would not be adversely affected by a location at the periphery. Among the firms that may follow Government agencies to decentralized locations are suppliers, specialized professionals, trade associations, lobby groups and specialized support functions (e.g. printers, data processing, office machine repairs, etc.). The extent to which such firms would establish themselves near a decentralized Government office largely depends on the type and scale of the particular Government operation.

FACTORS LEADING TO A DECISION TO DECENTRALIZE

Our analysis has revealed that the following factors play a significant role in leading a firm to decide to relocate some or all of its functions to a peripheral area.

Need for Additional Space

A decision to relocate at a suburban location often occurs when a firm has run out of space at its present downtown site. Quite often, firms will rent space in other buildings nearby and try to get by for a period of time with offices scattered in the vicinity of its main location. As diseconomies increase, the firm starts looking for an alternative site in which it can consolidate all of its operations or, instead, looks for a site where it can consolidate outside the CBD some of the functions that are not essential for the downtown operation.

Lease Has Run Out

We found that a large number of the firms recently relocated did so because their lease had run out and they could not renew it. This is particularly true of smaller firms whose space is under option to a larger tenant in the same building. When their lease runs out, the tenant having the option on the space often chooses to exercise that option for its own expansion.

With respect to this particular situation, the availability of attractive space at another location becomes crucial to the firm having to relocate. Many firms indicated that under such circumstances they had little choice and selected their new location simply because it was available at the time they needed it. A firm in this situation will not necessarily move out of the CBD, and may simply choose to relocate within it. However, if the right space is available at a peripheral location, it might consider it since timing and availability are the key factors in that case.

Traffic Congestion

A number of firms appear to have chosen to move out because of the increase in traffic congestion in the downtown core. This factor is expected to take on increasing importance if congestion worsens in the central area.

Journey to Work

A desire to reduce the employees' journey to work has also been indicated as a factor leading to a decision to decentralize. Some employers appear to be quite concerned about this question and try to take steps to reduce the inconvenience of a long journey to work for the employees.

For a relocation to achieve this objective, housing has to be available in the area at a price that can be afforded by the employees. Some firms expressed concern with the fact that most suburban areas tend to be quite homogeneous in terms of their housing supply which, in turn, means that only a portion of their employees can afford such housing. They expressed a keen interest in seeing suburban communities develop a more balanced housing stock that could meet the needs of a variety of employees.

Other Considerations

Other considerations, of a more subjective nature, were revealed in our interviews and analysis. It was found that in some cases the desires of senior executive staff to be closer to their residence was the major determinant for the relocation. In other cases, the management style of the senior executives constituted the most significant deterrent to decentralization of functions.

More important, we found that a variety of direct or indirect business relationships can also have a decisive role in relocation decisions. To quote some examples: small firms may move close to their

main customers, development companies with ownership interest in other firms can influence some moves, interlocking directorships may swing close decisions, etc.

All of these factors are largely unique to each situation and cannot be generalized but they do indicate that subjective considerations often play a major role in the relocation process.

SPECIFIC CRITERIA
FOR SITE SELECTION
OUTSIDE THE CORE

Although it is difficult to generalize on the basis of our sample because of the wide variety of functions performed by the firms sampled, we have been able to identify a series of items which most firms desiring to move to a new area would consider in selecting a site. These items are listed below not necessarily in order of importance.

General
Environment

Firms appear to be sensitive to the needs of employees and are therefore concerned about the general social environment of the area under consideration. The following factors appear to be important:

- housing availability
- educational facilities
- community services, including shopping, banking, cultural facilities, recreational facilities, health facilities.

Transportation

Most firms want a location with a high level of accessibility for employees, visitors, clients and suppliers. Among the most important considerations are:

- the location of major suppliers and customers/clients
- access to highways and roads
- access to transit stations, and airports
- the quality of local transportation, including public transit and the status of roads.

Community Management

A number of firms are quite sensitive to various aspects of community management. Most firms are interested in locating in growing rather than stagnant areas. They like to see evidence of a growth-oriented municipal government, and good municipal management. Among the factors considered are the following:

- public services such as police, waste collection, fire protection, etc.
- existing and proposed planning policies including zoning by-laws
- tax rates

Availability of Labour

The availability of labour in the area is of course crucial to most firms. They want to be able to find in the area labour with the

skills that they require. As discussed before, this is closely related to the type and mix of housing available in the community as well as in neighbouring areas.

Public Relations,
Prestige and Visibility

Not all firms are concerned with this aspect, although, if given a choice, they would prefer a more prestigious location to a less prestigious one. They therefore expressed concern about such things as the general reputation of the particular community as well as the general area in which it is located. They are also interested in locations that are "visible" and this explains why some firms choose to locate on ground approaches to an airport or along major highways. In one case, we found that the lease included a provision that no new building would be allowed in the area between the existing building and a nearby highway so as not to block the view from the highway. Visibility in that case was considered to be extremely important.

Other
Considerations

These vary by industry type. Some industries are extremely concerned about the quality of facilities for visitors such as hotels, motels, restaurants. Others, particularly those making extensive use of data processing systems, are concerned about the quality of the communication networks in the area.

From the interviews, it appears that the three most important factors are transportation, community environment and the availability

of labour. The office industry is one that requires a large amount of interaction between individuals. Even for those firms which do not require the high contact rate of the CBD, a high level of accessibility to many parts of the region is needed.

The general quality of the community environment is related to both the prestige of location and the type of labour that might be available. Desirable communities should provide a range of accommodation types in order to match the labour profile of industry in the vicinity. Once this condition is met, employers will prefer communities with a high level of public safety and civic pride.

CONCLUSIONS AND POSSIBLE PLANNING MEASURES

On the basis of the analysis which we have carried out and our findings, we are proposing a set of planning measures to be taken by the appropriate authorities which could permit the implementation of suburban town centres throughout the Toronto Centred Region. Although our interest is focussed on North Pickering and Metropolitan Toronto, we feel that such a policy can be successful only if it is considered in the total regional context.

The Regional Context

The very heavy weight of the downtown core compared to the rest of the Region in terms of business and management services, and the corresponding concern that this has generated in various levels of

government are among the fundamental reasons for this study. The fact that this issue is foremost on the mind of many government decision-makers is demonstrated by such Provincial initiatives as the Toronto Centred Region plan and the COLUC Task Force, the creation of regional municipalities, the implementation of a policy of new town development, the METROPLAN effort of Metropolitan Toronto and the attempts by the City of Toronto to implement various forms of development control in the downtown core.

The foregoing analysis has shown that the chances of a significant dispersion of an increasing proportion of the future growth of employment in the services industries is largely dependent on factors that clearly require joint action by many levels of government. Among the most important are the following:

- the need for good transportation services to downtown, to the airport, and to other parts of the Region
- the need to attract firms and organizations that can act as catalysts for development because they can attract many small firms in their wake. The potential role of government should not be overlooked.
- the need to provide a variety of amenities in the vicinity of the proposed locations of offices to make them attractive to major office users. These include diversified shopping facilities, hotels, restaurants, clubs, cultural establishments and so on.
- the need to provide within easy commuting distance a diversified labour force. This means providing the right mix of housing as well as good local transportation.

Many of these factors involve more than just the municipal level of government. It is particularly true of the transportation requirements. The quality of access from the suburban town centres to downtown and between them can only be provided by transit lines, expressways, arterials or similar facilities. The need for financial support on the part of the Provincial Government in this field is evident.

Competition Among Municipalities

The various factors listed above point to a potential competition between suburban town centres to attract office development particularly in view of the fact that there might only be a comparatively small number of firms prepared to locate outside the downtown core. This competition can lead to the concentration of most suburban office development in one or two very strong town centres - new Don Mills - thereby making other potential suburban town centres not viable.

From our studies in the Toronto area, we know that the City of Mississauga is actively considering the development of a downtown area. This particular study is an indication of the interest on the part of the Metropolitan Toronto Planning Department in examining the viability of borough town centres, and, of course, the North Pickering project is hoping to establish a strong town centre in the new community. It is very doubtful in our minds that four or five major town centres could be viably developed in competition with each other.

COLUC Task Force
Proposals

Because of the requirement for active involvement of the Provincial Government and in order to eliminate the prospect of inefficient competition between various parts of the Region, we suggest that the question of the future distribution of service employment be approached in a co-ordinated and comprehensive fashion at the regional scale. This suggestion is in line with the thinking of the Government of Ontario as demonstrated by the Toronto Centred Region Plan and the work of the COLUC Task Force.

The COLUC Task Force suggested that the urban places within the Toronto Region be developed in the context of a hierarchy. The proposed hierarchy is closely tied to the service functions performed by each urban place for its own population, other urban places, and its rural hinterland.

The Task Force identified six functional classes for the twenty-two urban places outside Metropolitan Toronto and the four geographical areas of Metropolitan Toronto. The central area of Toronto occupies the top of the hierarchy, being the only class-1 centre in the region. In addition, the Task Force suggested that Hamilton, Mississauga, Oshawa/Whitby and North York be the four class 2 centres in the hierarchy. They would be the four major sub-regional centres in the region. Finally Oakville, North Pickering, Aurora/Newmarket, Scarborough and Etobicoke are suggested as class-3 centres for the Region. By the COLUC definition of classes, classes 2 and 3 would correspond to relatively major town centres.

Below class 3, i.e. from class 4 down to 6, the services to be found in the urban places would be of an essentially local and population-serving nature.

On the basis of our experience, it is our opinion that, under free competition between the urban places likely to attract high order service employment, Mississauga, North York, and Scarborough may have the best chance. They are most likely to attract the lion's share of decentralized office development. Because of their existing social, physical and cultural infrastructure, Oshawa and Hamilton are probably capable of facing this competition. We feel, however, that the remaining class-3 centres, i.e. North Pickering, Oakville, Aurora/Newmarket, and Etobicoke would quite likely get a very minor share of the total amount of office employment decentralization.

The COLUC Task Force recommendations have not yet been adopted as official Provincial policy by the Government of Ontario. Any policy ultimately adopted is however likely to encourage the development of service centres in addition to those which, in our opinion, would emerge under free competition. For example, a certain degree of commitment has been made to encouraging development east of Toronto with the adoption of the Toronto Centred Region Plan and the creation of the North Pickering community. For the policy eventually selected to be successful, it will have to be accompanied by a co-ordinated programme of action. It is difficult at this point to make definite suggestions as to the exact nature of the co-ordination which we recommend. We will, however, suggest in broad terms a possible approach.

Regional Strategy

We suggest that a regional strategy be developed to support the objective of decentralizing office employment into the peripheral urban centres of the Region. This strategy could be the one that has been recommended by the COLUC Task Force or some modification of it, depending on the conclusions reached by the Government of Ontario in its analysis of the Task Force report. It is clearly beyond the scope of this study to propose the detailed strategy either as an alternative to the COLUC strategy or as a modification to it.

Once this strategy is established, more detailed studies should be carried out to identify in specific terms the following:

- potential candidates by industrial type to a location in peripheral areas
- total amount of office employment expected to be generated by the location at the periphery of the activities identified above
- identification of specific roles for each urban centre. This role should be defined in functional terms, indicating whether an urban centre should have a vocation to be diversified or specialized and, if so, in what sectors.

Having resolved these basic questions, the regional strategy will then act as a framework within which the various urban centres will be able to try to attract the type of office employment which they are best suited to receive. As the development of such a regional strategy might take some time, it is not suggested that North Pickering and Metropolitan Toronto should wait until the strategy is enacted. Rather,

we feel that they should take immediate steps to strengthen their positions and maximize their chances of attracting office employment to the locations of their choice. When and if a regional strategy is adopted, they will then be in a position to take maximum advantage of it. The steps which we recommend are outlined below, after a description of possible means of implementation at the regional level.

Possible Implementation
Tool at the Regional Level

One possibility for the Government of Ontario is to consider the establishment of a central bureau on a format similar to the "Location of Offices Bureau" established in London, England to help firms in implementing a decentralization program. This bureau could be set up as part of the proper Provincial authorities or as a joint Provincial/Municipal body reporting to the various governments having an interest in the question of the future distribution of service employment.

This bureau would keep up-to-date information on such items of interest to firms seeking a decentralized location as:

- availability of space throughout the Region
- staff availability including prospects for the short and long term
- information on housing, local educational facilities, and various amenities such as shopping facilities and recreational facilities
- availability of support services such as computer centres, banking, temporary help, printing, etc.
- information on future plans for the various areas including proposed commercial, industrial, residential development and proposed transportation facilities.

Note that some of these information-gathering and dissemination functions are already performed to some extent in the Provincial Department of Industry and Tourism, and by industrial commissioners, both largely in relation to industry.

In addition, the bureau could act as an intermediary between the particular firms, various agencies and governments and organizations with which they will have to deal for their requirements. For example, a particular firm might have special communications needs that can only be met by the provision of a special cable to its location. The bureau could help the firm establish the contact with, say, Bell Canada to see whether the particular requirement can be met and where. Many such examples could be given.

Although this bureau would act as a facilitator, it would not be a marketing agency for the various town centres. Its role would be to make available all relevant information to interested firms and to help in finding solutions to specific problems. The marketing of the various service centres themselves would be the responsibility of the particular local government.

Other Measures at the Regional Scale

The very heavy pull exercised by the downtown core on the service sector activities seems to indicate that some strong measures may be required to encourage firms to seek peripheral locations. These measures can be either positive or negative.

Among the positive measures are grants and various other forms of financial incentives. We have had mixed reactions from the persons whom we interviewed regarding the desirability and effectiveness of such financial measures. Some firms indicated that they would not respond to one-shot grants given to a firm as a reward for moving to a particular location. In their opinion the basic reasons why such locations need grants to attract firms are not eliminated and whatever problems there were remain unsolved. Other firms, on the other hand, indicated that, because such financial incentives are a reflection of a high Government commitment to the development of a particular area, they would accept them and move out to indicate their support to Government policy. This will only occur when there are no fundamental reasons that make the particular location totally undesirable.

It is difficult for us to judge whether such financial incentives could be used because the political and economic factors involved are complex and numerous, but they would definitely be in the area of responsibility of the Ontario Government. This type of action would have to be initiated and carried out at a senior government level.

Negative measures would take the form of policies designed to discourage the growth of office employment in the downtown core. The City of Toronto recently implemented such measures with its development control by-law but the subsequent decision of the Ontario Municipal Board not to accept it indicates that such measures might not be easy or appropriate to implement. It is our understanding that the City of

Toronto is in the process of establishing permanent guidelines for development in the core area. These guidelines may have the effect of slowing down office development in the downtown core and in turn could make suburban locations more viable as firms unable to locate or expand downtown would choose to locate in suburban areas if they are attractive enough.

Recommended Actions for North Pickering

In the case of the North Pickering Community, actions should be taken in the context of the ongoing planning and design work for the new community in order to maximize the probability of attracting a significant number of high order service employers. These actions are directly related to the factors which we identified in the section summarizing our major findings. They include:

- provision of a balanced supply of housing by cost and type in order to ensure the required diversity in the labour force
- provision of good transportation to downtown and the rest of the Region. The decision to go ahead with the proposed new International Airport at Pickering significantly helps in that respect since it may justify the provision of transit service earlier than would be the case otherwise
- provision of good local transportation including transit access to the town centre
- provision of amenities in the town centre, including shopping facilities, hotels, restaurants, cultural and recreational facilities. Here, too, the new airport will make the provision of these facilities viable at an earlier time (particularly hotels and convention facilities). In relation to the above requirements, it might be desirable for the North

Pickering project to consider concentrating all of these facilities in the town centre in the early phases of development so as to reach a critical mass as quickly as possible and not develop neighbourhood centres in the various parts of the community until a later time. In developing the neighbourhood centres too early, there is a danger that they would make the facilities in the town centre not viable at the scale required to attract major office users

- early provision of office space in the town centre and active marketing policy to attract tenants to this space. This might require offering terms on the leases that are highly advantageous for the tenants in order to attract them. This applies particularly to the first prestigious and well known large tenants who would give high profile to the town centre. It has been done in other parts of the Region and appears to be necessary in order to get the development under way. The Government of Ontario may provide part of the thrust in this direction
- in order to provide maximum prestige and visibility the location of the town centre should be selected with a view to taking full advantage of the proximity of the new airport. The town centre should be highly visible from the various ground access corridors to the airport
- our interviews have clearly shown that, in view of the present uncertainty in the economy, few firms are prepared to invest in major office facilities. Most prefer to rent. Also, some real estate developers are hesitant to undertake major office developments. In view of this, provision should be made for the North Pickering Project to be able to carry out the full development process, including the actual construction of buildings
- in addition to office buildings in the town centre, space on the town site could be reserved for lower density, low-rise office development. Some firms - particularly R&D establishments - require this type of accommodation and their presence could be of value to North Pickering as their employment base and linkage to other firms can be of significant support to the town centre.

The marketing strategy for the North Pickering Project should include heavy advertising of major achievements such as completion of the first residential neighbourhood, the opening of the Town's major shopping centre, the installation of the first major tenants in the town centre's office buildings, and so on. The press releases and pamphlets issued by the developers for Erin Mills New Town and Meadowvale are examples of this type of advertising.

The Project should concentrate on approaching firms that are potential candidates as identified in our summary of major findings. Initially, the focus should be on firms that can act as catalysts, that is, firms that would attract to their vicinity many other firms.

Among the planning measures that should also be taken by North Pickering in its initial stages of development is the provision of a very high level of municipal services. As mentioned earlier, many firms are sensitive to the quality of such services as waste collection, police and security, fire protection, local roads. In addition, North Pickering should ensure that postal services and communications are provided at a high standard of service. Because of the high degree of interaction that firms in the business and management service sector have with the rest of the economy, a high level of service in all forms of communication, i.e. mail or wire, is an absolute necessity for them.

We finally suggest that a special effort be made to attract manufacturing plants to the community as well as to neighbouring areas. As mentioned earlier, many manufacturing firms like to locate their

outside downtown offices in the vicinity of their plants in order to minimize inter-office travel time. By attracting manufacturing plants to its vicinity and by providing office space in its town centre, North Pickering might well be in a position to capture a substantial portion of the administrative and management functions which might be decentralized by the manufacturing companies owning those plants. The marketing actions designed to attract manufacturing and service employment are therefore clearly interrelated, one supporting the other. In view of that, in the manufacturing marketing program, special attention should be paid to firms that are likely to want to decentralize some of their office functions out of their downtown corporate offices.

The measures which we have recommended are, we feel, necessary to give the new community a fighting chance of attracting service sector firms to its town centre. They are by no means sufficient and the difficulties of attracting this type of firm cannot be under-estimated. The new airport will undoubtedly help but a major financial commitment will still be necessary with results which are not guaranteed to match the expectations.

Conclusions Affecting
the Metropolitan
Toronto Planning Department

The two agencies which commissioned this study did so with different objectives. The North Pickering Project, committed to the development of a town centre, wanted to obtain from this study specific guidelines and recommendations for use as inputs to its on-going planning

work. The Metropolitan Toronto Planning Department, on the other hand, sees this study as contributing to the process of evaluating whether borough centres within Metropolitan Toronto are feasible, viable and, indeed, desirable. As we understand it, this total evaluation is an important element of the current work on the Metro Toronto Official Plan, known as METROPLAN. For these reasons, we did not attempt to evaluate in great detail the problems and prospects of potential borough centres, nor were we in a position to do so since many key planning decisions are yet to be made. We did, however, conduct for the sake of completeness a cursory evaluation of the potential for concentrated office development in the three outer boroughs.

The problems that Metropolitan Toronto would face if it were to try and establish viable town centres in the outer boroughs appear much less acute than those confronting North Pickering. For one thing, these areas of Metropolitan Toronto can rely on existing and planned transportation systems which in some cases are excellent and in others more than adequate compared to what can be found in most other parts of the Region.

On the basis of our analysis, it would appear that a borough centre in North York would have the best chance of being developed quickly. This is so because of the existence of very good transportation in the area including the Yonge Street subway, the forthcoming Spadina subway and Highway 401. North York already has an existing housing infrastructure, a diversified economic base guaranteeing the availability of a variety of labour and a commercial, cultural and recreational infrastructure.

As for the other two boroughs, their situation does not appear to be as favourable as that of North York. Etobicoke is facing stiff competition from the City of Mississauga. In addition, it is mostly a residential borough whose employment base does not appear to be as diversified as that of North York. The southern part of Etobicoke is well served in terms of transportation with the Bloor Street subway and the Queen Elizabeth Way. However, the area to the south is mostly industrial and probably not very attractive for high quality office space. A good location for a borough centre is likely to be in the Islington and Bloor area but because it is far away from a large portion of the population of the borough to the north, it is difficult to tell whether this location can evolve into a viable borough centre. It is also uncertain whether the borough residents would support the idea in view of the easy access to downtown and the future Mississauga Centre.

Scarborough enjoys the advantage of having started on its town centre, with the Scarborough Civic Centre. The concentration of civic functions and shopping facilities in a well-designed environment seems to point to a very high potential for this area. A major requirement there might be the provision of good transportation access from the rest of the borough to take advantage of the large population and employment base of the borough.

APPENDIX A

REVIEW OF LITERATURE
ON THE OFFICE INDUSTRY

THE OFFICE INDUSTRY

GENERAL FINDINGS

Approximately 35 books, articles and journals discussing office decentralization were reviewed to establish criteria influencing company decisions to decentralize (a selected bibliography appears at the end of this report). There is little written material on the Canadian experience, but many articles exist documenting British and American attempts at office decentralization. In Britain, for example, the Location of Offices Bureau (LOB) was created in 1963 with a mandate to encourage firms to decentralize all or part of their operations from the Central London area.

The literature search covered a broad range of topics and revealed some common general findings of relevance to this study. The major issues of office decentralization as they appear in the existing literature have been grouped and are listed below.

A. Factors Affecting a Decision to Decentralize

Subjective Reasoning

Research findings indicate that subjective reasoning is often involved in a firm's decision to decentralize. M. Wright ('Provincial Office Development') found that environment was an important input into decentralization decision-making, and it appeared that the decision to relocate was influenced more by physical and psychological factors than financial ones. He suggests that in office location, land costs

are subsidiary to other factors.

Need for Expansion of Existing Facilities

Expiry of a lease and/or the need for expansion space are perhaps the most frequently cited reasons given for decentralization. P. Cowan ("The Office: A Facet of Urban Growth") studied the growth of offices in post-war London and found that prestige for example was not as vital a factor in office relocation as many authors have suggested. Rather, an expansion of existing office facilities was the major reason for many moves.

Similarly, R.K. Hall ("The Vacated Offices Controversy"; "The Movement of Offices from Central London") found that most firms moved out of Central London because they outgrew their existing premises. Hall went on to advise that a ban on the reuse of vacated offices (in conjunction with a decentralization policy) would be dangerous because it would reduce the opportunity for improved conditions for the firms that stay in the central city.

Transportation and Communications

Given that a firm is considering decentralization, the cost of communications and accessibility of good transportation are important locational decisions. J.B. Goddard ("Changing Office Location Patterns in Central London") investigated the nature of office clusters within Central London and their changes over time. He found that firms locate with an eye to minimizing the cost of communications. By reviewing the locational patterns of offices in London, he concluded that firms are less

tied to particular parts of the centre than they were in the past (i.e. pre-World War II).

In a later paper ("Office Communications and Office Location: A Review of Current Research"), Goddard establishes the importance of office activities with respect to the role of communications and office location. He also develops hypotheses concerning the effect of telecommunications on location. A survey by the Location of Offices Bureau mentioned that personal contacts with other businesses, clients, and overseas visitors were main reasons for remaining in Central London. Most studies indicate a strong relationship between status and contact intensity. Until recently, it has been the low contact/low status jobs that have been removed to the outlying areas. Essentially this is a theoretical article dealing with the theory of communication linkages and suggests that planned investment in advanced telecommunication systems could do much to alleviate the imbalance at the inter-regional, intra-regional levels enabling contacts to take place from peripheral locations.

In an even more sophisticated study ("The Communications Factor in Office Decentralization"), Goddard follows up on his earlier research. The role of communications in location decisions out of Central London is discussed and the substitution of telecommunication for face-to-face contacts is also studied in greater detail here than in earlier articles. The main conclusion of this study is that decentralized offices have very different patterns of communication in Central London offices as a whole. Environmental conditions, particularly the distance moved from London, have an important bearing on the role of communications.

The study found that the most common patterns of decentralization from London have been movements of routine office functions to relatively small office centres in the southeast region. In most instances, the decision-making functions have remained in a Central London head office. Because of communication considerations firms have generally been reluctant to move more than 60 miles from the capital.

Goddard suggests that narrow band telecommunications might prove to be an important factor in reducing the amount of travel incurred in intermediate distance decentralization since most of this involves fairly routine contacts which require meetings for specific reasons. He also suggests that higher level functions involving more than just routine contacts with meetings for specific reasons will not benefit substantially by something like a broad band video conferencing system.

Transportation is important if a firm is considering decentralization. P.W. Daniels ("Transport Changes Generated by Decentralized Offices") sampled decentralized offices throughout the United Kingdom to examine the role of transportation factors and potential staff problems and office location. He agrees with other authors who suggest that decentralized offices lead to the increased importance of private transport as a means of travelling to new office facilities. Consequently, firms prefer to locate in areas with good highway access.

Financial Benefits and Other Related Amenities

R.K. Hall, in his studies mentioned earlier, found that another reason for firms decentralizing is a result of the cost differentials

in locations. The rationale for decentralizing, according to many of the firms he interviewed, was the savings to be made not only in rental or purchase of facilities, but also in operating costs (e.g. consolidation of operations thereby reducing communications cost, cheaper wages, etc.).

Gerald Manners ("On the Mezzanine Floor: Some Reflections on Contemporary Location Policy") also found that an important advantage for decentralization was the rent or accommodation cost differential. His data indicate that the savings accrued in local authority rates, lower level of wages, lower rates of labour turnover, and shorter and cheaper journeys to work encourage some offices to move out of Central London.

B. Types of Offices Most
Likely to Decentralize

Type of Firm

Partial decentralization is more popular than complete decentralization and jobs involving low status, low contact intensity (e.g. clerical) can be relocated in decentralized areas. The key decision-making functions remain in the central city area.

Firms most likely to decentralize all or part of their operations do not rely heavily on financial, legal, and accounting services, or special institutions.

M. Wright ("Provincial Office Development") studied types of firms which could decentralize, and his research suggests that head offices, advertising agencies, banks, financial houses, insurance companies and

solicitors will decentralize. However, J.S. Wade ("Office Decentralization: An Empirical Study") has research contradicting Wright's findings.

Although Wade found that insurance firms are good potential decentralizers, he also found that paper and printing, banking and finance, professional and scientific organizations, and accountants had expressed reservations about moving out of the Central London area. In addition to insurance firms Wade suggests that chemicals, office equipment and distribution firms are likely decentralizers.

W. Goodwin ("Offices and Decision Centres in New Zealand and Australia") found that Christchurch, New Zealand has experienced the movement of some offices out of the central city area. The findings conform to the pattern of western cities where small self-contained offices of doctors, dentists, lawyers and others averaging 15,000 sq.ft. may locate in outlying areas.

Lloyd Rodwin (Nations and Cities) in discussing the British experience, found that the Location of Offices Bureau was least successful with encouraging professional and scientific firms to decentralize, and most successful with insurance companies, distributive trades, marketing board and large national and international firms. He also discovered that unlike the French experience, service activities with the exception of tourism, are unwilling to locate in designated development areas. Unfortunately this has a very negative effect because it means that some firms will not locate in development areas because there is a lack of service activities.

Size of Firms and
Distance Decentralized

Conflicting evidence exists about the size of firms and their relative potentials for decentralization. While Rodwin suggests that firms of under 25 employees will not move beyond the London area, he says that larger firms could be encouraged to decentralize.

Other authors suggest different numbers, but one thing is clear--there is a tendency for the average size of the move to increase as the distance from London becomes greater, so that large firms are at least 40 miles from Central London. Wade ("Office Decentralization: An Empirical Study") found that of the small moves, the largest proportion were 17 miles away or less. He also discovered that large firms were more reluctant to move out than were small ones, with intermediate-sized firms (around 50-100 employees), finding it easiest to decentralize.

G. Yanapoulos ("Reasons for London's Dominance") conducted research on London's Office Development Permit policy (ODP) and found that among other things, moves out of Central London were short, i.e. under 40 miles. His findings suggest that large firms move less frequently than small ones and when they do move, it is usually further away and involves government decentralization programs.

Generally then, firms seem unwilling to locate beyond a 60-minute commuting distance of the central city area whenever possible.

C. Journey to Work Characteristics of Decentralized Offices

Shorter Journey to Work

Studies of offices which have decentralized show that employees try to shorten their trip time in terms of the new place of employment to a 35-minute journey (as opposed to a 55-minute journey when working in the central city area). Professionals and managerial employees usually travel further to work than lower paid, lower status employees. The private car becomes the primary transport mode whereas most employees use public transit when working in the central city area. General travel characteristics of office workers in decentralized areas then are shorter trip lengths and trip times.

For example, J.S. Wade ("Dispersal of Employment and the Journey to Work--A Case Study") conducted a questionnaire study to assess the effects of moving on journeys to work. Specifically the questionnaire was given to a large firm which had moved from Central London to the suburb of Epsom and this involved a move of 600 jobs. It was found that the private car became the prime mode of transport as opposed to public transportation which had been the main transport mode when employees worked in Central London. This results in a general impression that when staff worked in Central London they were living further from their place of work. The time spent on the journey to work is much reduced (by about 30 minutes) as opposed to the journey to work time when employees worked in London (about 55 minutes). The study also found that female employees live much closer to their place of work than do their male counterparts in the new decentralized area.

A study by P.W. Daniels ("Some Changes in the Journey to Work of Decentralized Workers") also confirms the important fact that journey to work differences do in fact exist between groups of office employees as a result of decentralization. The net effect is that office decentralization appears to have a small negative influence on the mean trip times of local employees. The study indicates that the work place variable is much more important than the sex of employees in explaining changes in trip-making behaviour. Higher status occupation groups command higher incomes and this permits a wider choice of residential location as well as the ability to accommodate higher commuting costs. The study also confirms common assumptions that improvements in trip times and trip lengths will increase as offices decentralize further from London.

D. Areas of Other Interest

Need for More Research

There is a need to study in greater detail the effects of certain government policies (e.g. the role of the Location of Offices Bureau and the Office Development Permits in Great Britain) on office decentralization.

Rhodes and Kan (Office Dispersal and Regional Policy)

attempt to make a contribution towards the larger task of evaluating the effectiveness of British Government regional policy as a whole, concentrating on its attention to regional distribution of non-manufacturing industries. The first part of the book discusses the historical background of the pattern of office development and movement in Britain. The pattern of office decentralization from Central London is discussed

using the Location of Offices Bureau's records and statistics. The second part of the book outlines the results of an empirical study conducted to explain the historical pattern of office movement. Finally the third section discusses the effects of government policy to influence location of offices and other non-manufacturing activities.

E. Hammond ("Dispersal of Government Offices, A Survey") discusses the British Government's attempt to decentralize departments throughout Great Britain. The study has negative overtones despite the recognition that several thousand jobs have been relocated, because there is no way to gauge the effectiveness of dispersal policy. At present, the randomness of judgement and lack of methodology is obvious in attempts to accurately analyze the whole question of office decentralization.

P.W. Daniels ("Office Decentralization from London-Policy and Practice") also examines some aspects of office decentralization from Central London. He suggests that there is a need for more studies and research into the concept of office centres before the dispersal of office employment will fit successfully into regional planning and policy.

E.N. Burrows ("Office Employment and the Regional Problem") argues that regional policy is inadequate, as can be seen through the deteriorating position of the office sector in any peripheral regions. This confirms the fact that city centres are receiving more and more new office growth. Between 1953 and 1966 the periphery did not enjoy the

same rapid growth as the centre of the city and in fact, the periphery's entire growth came from the tertiary sector.

The author found that the level of office employment in an area is associated directly with the region's particular industrial size, and the position of the region in terms of levels of autonomy, i.e. where head offices are located. Regions with large amounts of service industry employment and office intensive manufacturing industries will tend to share a larger proportion of office employment, stock and growth. Unless an effective regional office policy is developed, offices will continue to concentrate in the central city area, thereby having a series of far-reaching or even perverse economic social results within the region.

Finally, the best source documenting the American experience is a book written by R. A. Armstrong. (The Office Industry: Patterns of Growth and Location). The study, coordinated by the New York Regional Plan Association had one main purpose, namely to provide more information on the office industry and office location in the U.S. Against the background of broad national trends, the study focuses on the New York Region.

The study also found that the nation was becoming white collar at a faster rate than commonly believed. Consequently, because office jobs are suited to city centres, private enterprise can work to renew older cities for a variety of ethnic and income groups.

In addition to these general conclusions, the Regional Plan Association predicted the following things for the New York Region:

- despite the present surplus of office space in Manhattan, there is a long term market demand for office space until the end of the century. This demand is equivalent to 17 World Trade Centres.
- if present trends continue there will be a surplus of unskilled labour in New York city. If this happens, the number of office workers commuting in daily from the suburbs will be twice the present number. To prevent this, education programs must concentrate on developing white collar skills in the area. If this is not done, the New York Region's economy will not generate enough jobs to meet the natural increase of its population
- transportation programs are unsatisfactory for the long term office employment projections for Manhattan. New transportation technology and redevelopment of residential areas close to Manhattan should be encouraged
- demand for office accommodation in the future will not only occur in Manhattan. The New York Region outside Manhattan will generate a demand for 30 World Trade Centres in as many years. If the present suburban campus type of office development continues these offices would consume about 25,000 acres of land and require 400 miles of 6 lane expressways
- if rules of land development/zoning and taxation were changed approximately 45% of the decentralized office space, including headquarters functions could be attracted to locate in older cities. However, public policies must be developed to make this viable.

Armstrong emphasizes that this study is not a definitive work but that its major purpose was to synthesize data on office employment in office buildings for the New York Region. She suggests that the Region

should now turn its attention in more detail, to the public and private costs and benefits of locating different types of offices in different size centres (large city centres, medium-sized subcentres and small suburban clusters).

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APPENDIX B

SELECTED INFORMATION OBTAINED FROM THE
"OUTSIDE DOWNTOWN" AND "DOWNTOWN" SURVEYS

SELECTED INFORMATION OBTAINED FROM THE
"OUTSIDE DOWNTOWN" AND "DOWNTOWN" SURVEYS

In the following pages, we present a set of tables showing some selected quantitative information obtained in the course of the two surveys.

As pointed out in the main body of the report, the time and budget limitations on the study prevented us from selecting a sample large enough to be statistically representative of the service industry in the Region. Further, the lack of data prevented us to even know what percentage of the total industry was represented in our sample. Accordingly, the results presented in the tables included in this appendix are only applicable to the firms sampled and cannot be generalized to the whole industry, except with the greatest care.

We were, however, selective in our choice of firms sampled in that, to the extent possible, we attempted to include firms that were representative of their industry. For example, in each category, we tried to include one of the largest firms and at least a smaller one. We also tried to have a balance of Canadian and foreign owned firms, of Toronto based and non-Toronto based firms and of firms located in major office buildings and firms located in smaller ones. We also attempted, in some industrial categories, to have several categories of activity represented. For example, in the mining sector, each firm selected was involved in the mining of a different resource. Among the consultants,

we included town planners, financial consultants, management consultants and other specialized consultants. These considerations mainly apply to the downtown sample.

In the "Outside Downtown" sample, we could not be as selective and followed two main criteria. First, to the extent that we could estimate the size of the service industry across the region, we used a geographical distribution of firms that approximated the actual distribution of this type of employment in the region. Second, in each of the suburban communities, we selected all the major office users which we could identify, completing the sample with a few minor ones, some of which turned out to be very small.

Because of the variety of firms which we have tried to include in the surveys, we feel that some of the attached results have general validity, particularly when aggregated. For this reason, most of the tables included refer to aggregations of each of the two samples, rather than being broken down by industrial category.

One additional point must be made in relation to the tables. Table 15, which gives the turnover rates for the downtown and suburban samples, shows that the proportion of suburban firms indicating a low turnover rate for their clerical/technical staff, is higher than the corresponding one for the downtown firms. This appears to contradict the conclusion presented in the report that suburban firms have a higher turnover rate than downtown firms for that category of personnel. This is, however, not the case. Firms were asked if, in their opinion, their

staff turnover rate was high, moderate or low. During the interviews, it became very clear that rates which many suburban firms perceived as low, were considered to be moderate - and in some cases high - by downtown firms. Downtown firms having access to a greater, more diversified and better qualified pool of labour, have higher expectations than the suburban firms with regard to the duration of employment of their staff. The conclusion made in the report is therefore based on the interviews rather than on the results of the questionnaire.

Finally, we have included in this appendix two maps showing the geographical distribution of the firms which agreed to participate in the surveys.

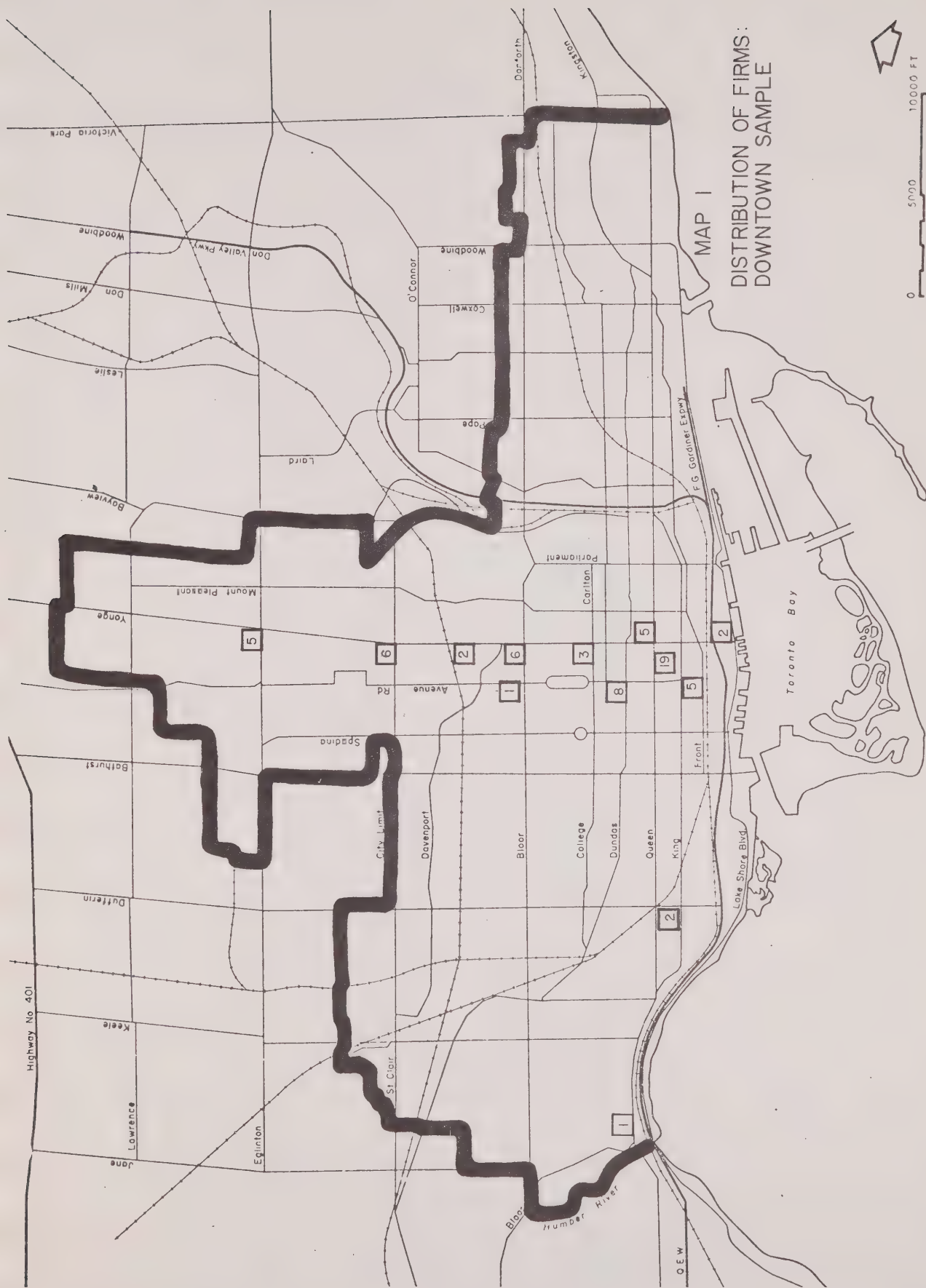
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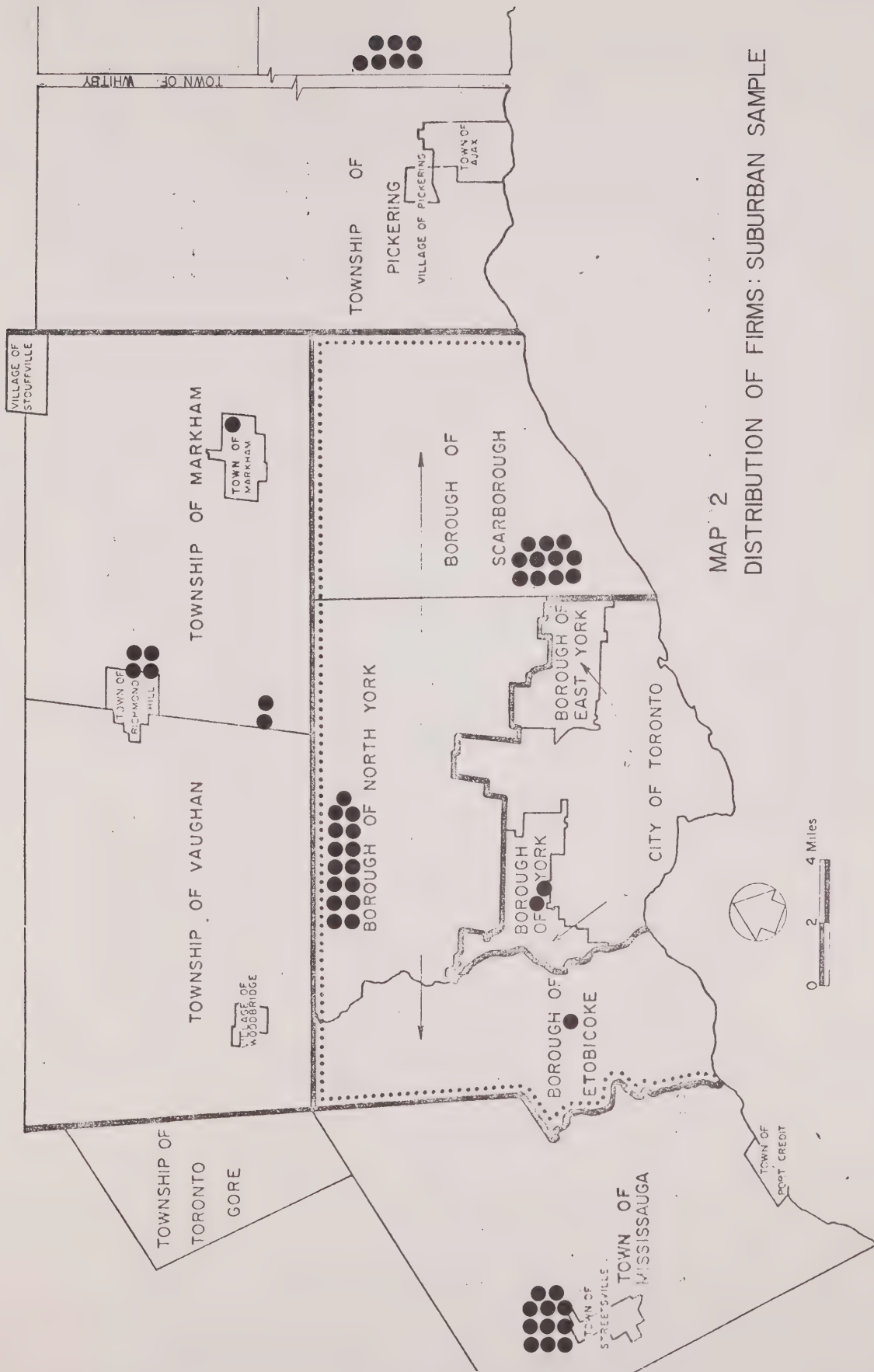
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Downtown Toronto



MAP 1

DISTRIBUTION OF FIRMS:
DOWNTOWN SAMPLE

0 5000 10000 FT



MAP 2

DISTRIBUTION OF FIRMS: SUBURBAN SAMPLE

TABLE 1
NUMBER OF FIRMS CONSULTED

INDUSTRY GROUPING	DOWNTOWN	SUBURBAN	
Transportation/Communications/ Utilities	6	4	
Land/Real Estate/Property Management	4	6	
Consultants	6	9	
Financial Institutions	4	4	
Printers/Publishers	4	5	
Labour/Trade Organizations	1	1	
Advertising	4	5	
Data Processing/Systems	2	3	
Lawyers	2	2	
Research/Laboratories	0	7	
Banks/Trust Companies	5	-	
Accountants	2	-	
Insurance - Life	2	-	
Insurance - General	2	3	
Agents/Brokers	2	-	
Commercial (head office)	4	-	
Mining (head office)	3	-	
Manufacturing (head office)			
Oil	2	-	
Food	2	-	
Chemicals	1	-	
Metals	1	1	
Machinery	2	3	
Paper	2	-	
Gypsum/Cement	1	-	
Glass	1	-	
Miscellaneous	-	1	
TOTAL	65	54	119

Table 2
 SIZE OF FIRMS
 (NO. OF EMPLOYEES)

	DOWNTOWN	SUBURBAN
Small (less than 25 employees)	2%	39%
Average number of employees for small firms	15	8
Intermediate (26 - 99 employees)	35%	22%
Average number of employees for intermediate firms	63	36
Large (more than 100 employees)	63%	39%
Average number of employees for large firms	1018	227

Table 3
 STATUS OF FIRMS INTERVIEWED

	DOWNTOWN	SUBURBAN
Canadian Head Office	78%	43%
Branch Office	16	18
Other (single offices)	<u>6</u>	<u>39</u>
Total	<u>100</u>	<u>100</u>
Number of Branch Offices with Headquarters elsewhere in Canada		
Toronto	11%	63%
Montreal	67	25
Other	<u>22</u>	<u>12</u>
Total	<u>100</u>	<u>100</u>

Table 4

RANGE OF OPERATIONS

<u>LOCATION OF OTHER OFFICES</u>	<u>DOWNTOWN</u>	<u>SUBURBAN</u>
No Other Offices	5%	37%
City of Toronto	48%	48%
Rest of Metro	65%	39%
Toronto Region (Hamilton to Oshawa, Excluding Metro)	54	48
Rest of Ontario	79	74
Rest of Canada (Exlcuding Ontario)	88	81
Other Countries	46	35

Table 5

EMPLOYEE CHARACTERISTICS

	<u>DOWNTOWN</u>	<u>SUBURBAN</u>
No. of firms with no employees working outside the office	41%	28%
No. of firms with 20% or less of employees working outside the office	43%	30%
No. of firms with 20% or more employees working outside the office	16%	22%
Total	100%	100%

Table 6

RENTAL COST (1974 Values)

	DOWNTOWN	SUBURBAN
Less than \$4.00/sq. ft.	0%	40%
\$4.00 - \$5.99	18%	32%
\$6.00 - \$6.99	21%	16%
\$7.00 - \$7.99	38%	8%
\$8.00 - \$8.99	12%	0%
\$9.00 - \$11.99	9%	0%
\$12.00 +	2%	4%
Total	100%	100%

Table 7

COSTS INCLUDED IN LEASE

	DOWNTOWN	SUBURBAN
Water	89%	78%
Hydro	42%	40%
Heating	95%	78%
Fire Insurance	46%	43%
Security	84%	48%
Cleaning	92%	57%

Table 8

DISTRIBUTION OF FIRMS BY SQUARE FOOTAGE

	DOWNTOWN	SUBURBAN
less than 4,999 sq.ft.	0%	30%
15,000-19,999 sq. ft.	30%	26%
20,000-40,000 sq. ft.	15%	11%
40,000 sq. ft. +	55%	33%
Total	100%	100%

Table 9

ACCOMMODATION INFORMATION

	DOWNTOWN	SUBURBAN
Average Gross Square Ft. per Employee	252 sq. ft.	462 sq. ft.
Average Rental Cost per Sq. Ft.	\$7.18/sq. ft.	\$4.67/sq. ft.
Percentage of Firms Who Own Space	31%	55%
Percentage of firms Who Lease Space	69%	45%
Building Bears the Company's Name	40%	65%

Table 10

ACCOMMODATION INFORMATION BY INDUSTRY GROUPING

INDUSTRY GROUPING	DOWNTOWN			SUBURBAN		
	Average Sq. Ft.	Average No. of Employees	Average Sq.Ft. /Employee	Average Sq. Ft.	Average No. of Employees	Average Sq. Ft./Employee
Transportation/Communications/ Utilities	330,000	2,032	162	-	-	-
Land/Real Estate/Property Management	12,750	63	202	6,960	30	232
Consultants	17,675	92	192	16,550	72	230
Financial Institutions	16,100	45	358	11,388	49	232
Printers/Publishers	119,300	456	262	97,000	216	449
Labour/Trade Organizations	13,003	69	188	90,000	234	385
Advertising	50,750	182	279	10,147	17	597
Data Processing/Systems	20,000	81	247	20,300	107	190
Lawyers	51,700	187	276	3,050	16	191
Research and Laboratories	-	-	-	35,734	100	357
Insurance: General	40,000	225	178	81,000	270	300
Insurance: Life	286,950	1,369	210	-	-	-
Banks/Trust Companies	359,750	1,923	187	-	-	-
Agents/Brokers	56,500	350	161	-	-	-
Accountants	57,750	470	123	-	-	-
Commercial (head office)	246,600	814	303	-	-	-
Mining (head office)	72,760	232	314	-	-	-
Manufacturing (head office)	-	-	-	144,000	514	280
Oil	309,000	847	365			
Gypsum/Cement	19,000	115	165	-	-	-
Glass	19,000	130	146	-	-	-
Paper	39,450	197	200	-	-	-
Machinery	81,000	284	285	-	-	-
Metals	-	-	-	-	-	-
Chemicals	90,000	480	188	-	-	-
Food	72,500	300	242	-	-	-

Table 11

OCCUPATIONAL BREAKDOWN BY PER CENT

DOWNTOWN SAMPLE

[illegible]

OCCUPATIONAL BREAKDOWN BY PER CENT

[illegible]

TABLE 13
SALARY BREAKDOWN BY PER CENT
DOWNTOWN SAMPLE

[illegible]

Table 15

RATE OF STAFF TURNOVER

	Technical Downtown	/ Clerical Suburban	Professional/Managerial Downtown	Suburban
High	19%	13%	4%	3%
Moderate	58%	38%	30%	28%
Low	23%	49%	66%	69%
Total	100%	100%	100%	100%

Table 16

FIRMS' RATING OF IMPORTANCE OF PROXIMITY TO SERVICES

ACTIVITY	DOWNTOWN				SUBURBAN			
	ESSENTIAL	IMPORTANT	UNIMPORTANT	TOTAL	ESSENTIAL	IMPORTANT	UNIMPORTANT	TOTAL
Banking	47%	40%	13%	100%	8%	74%	18%	100%
Investment Dealers	28%	32%	40%	100%	3%	23%	74%	100%
Restaurants	24%	57%	19%	100%	8%	65%	27%	100%
Other Financial Institutions	24%	24%	52%	100%	3%	21%	76%	100%
Insurance	20%	17%	63%	100%	3%	22%	75%	100%
Office Machine Repairs	17%	56%	27%	100%	2%	68%	30%	100%
Data Processing	15%	46%	39%	100%	16%	36%	48%	100%
Hotels	14%	65%	21%	100%	6%	51%	43%	100%
Airport	13%	51%	36%	100%	8%	64%	28%	100%
Clubs	12%	46%	42%	100%	5%	23%	72%	100%
Toronto Stock Exchange	12%	6%	82%	100%	0%	3%	97%	100%
Advertising	11%	46%	43%	100%	0%	29%	71%	100%
Accounting	11%	32%	57%	100%	5%	46%	49%	100%
Engineering	9%	22%	69%	100%	0%	36%	64%	100%
Management Consultants	8%	15%	77%	100%	0%	15%	85%	100%
Architectural Services	8%	20%	72%	100%	0%	23%	77%	100%
Canada Customs	6%	28%	66%	100%	3%	33%	64%	100%
Municipal Government Offices	6%	22%	72%	100%	6%	29%	65%	100%
Provincial Government Offices	6%	18%	76%	100%	3%	41%	56%	100%
Courts	6%	10%	84%	100%	3%	15%	82%	100%
Shopping	4%	63%	33%	100%	0%	49%	51%	100%
Federal Government Offices	4%	15%	81%	100%	3%	21%	76%	100%

Table 17

INTERNAL FUNCTIONS FOR POTENTIAL DECENTRALIZATION
FROM DOWNTOWN TORONTO

<u>ACTIVITY</u>	<u>% OF TIMES MENTIONED</u>
Purchasing	15%
Advertising	12%
Data Processing	10%
Marketing/Sales	8%
Transportation (administration of a fleet, etc.)	8%
Accounting, Audit, Financial Control	8%
Research and Development	6%
Investment Management of Firms' Assets	4%
General Financial Management	3%
Branch and Agency Coordination	3%
Storage/Warehousing	3%
Manufacturing	1%
General Management Administration (e.g. executive, personnel, public relations)	1%

APPENDIX C

QUESTIONNAIRE USED IN
"OUTSIDE DOWNTOWN" SURVEY

OFFICE LOCATION QUESTIONNAIRE

This questionnaire is part of a study of the distribution of service employment in the Toronto region jointly sponsored by the North Pickering Project of the Ontario Ministry of Housing and the Metropolitan Toronto Planning Board. All information disclosed here will be treated in strict confidence.

NAME OF COMPANY: _____

ADDRESS: Street: _____

Municipality: _____

Postal Code: _____

TYPE OF BUSINESS: (Please describe fully) _____

IMPORTANT: Your answers to the questions below should only apply to the part of the firm's operations that are carried out at the address indicated above, unless specified otherwise.

CHARACTERISTICS OF OPERATIONS

1. Does your company have other offices in addition to this one?

Yes _____

No _____

If your answer to this question is NO, proceed directly to Question No.7, below.

2. Is this office your company's head office for Canada?

Yes ____

No ____

3. If the answer to Question No.2 is NO, where is your company's head office for Canada?

City: _____

Province: _____

4. If your company operates outside Canada, is its head office for Canada the same as its international head office?

Yes _____

No _____

Company does not operate outside Canada _____

5. If your answer to Question No.4 is NO, indicate where your company's international head office is located:

City: _____

Country: _____

6. Check those geographical areas in which your company has other offices (not counting this office):

City of Toronto _____

Rest of Metropolitan Toronto _____

Toronto Region
(Hamilton to Oshawa, excluding Metro Toronto) _____

Rest of Ontario _____

Rest of Canada (excluding Ontario) _____

Other countries (which one(s)) _____

7. Please indicate the approximate percentage of your company's total business out of this office conducted with clients/customers in the following geographical areas:

Within 1/2-mile radius of the office:_____

Rest of the Toronto region: _____

Rest of Southern Ontario: _____

Rest of Ontario: _____

Rest of Canada: _____

Other Counties: _____

Total 100%

8. Which ones of the following functions are carried out in this office?

Firm's Internal Functions

General Management and Administration of Firm
(e.g. executive, personnel, corporate affairs
public relations, etc.) _____

General Financial Management of Firm _____

Accounting, Audit and Financial Control _____

Investment Management of Firm's Assets _____

Advertising _____

Purchasing _____

Transportation (Administration of Fleet,etc.) _____

Data Processing _____

Branch and Agency Coordination _____

Marketing/Sales _____

Research and Development _____

Manufacturing of Company Products _____

Storage/Warehousing _____

Others (Specify) _____

Customer and Client Services

Legal Services	_____
Accounting	_____
Data Processing	_____
Advertising and Public Relations	_____
Personnel	_____
Insurance	_____
Architectural Services	_____
Engineering	_____
Financial Services	_____
Others (Specify) _____	_____

EMPLOYEE CONSIDERATIONS

9. How many employees do you have in this office?

Male: Full Time _____ Part Time _____

Female: Full Time _____ Part Time _____

Total: Full Time _____ Part Time _____

10. What percentage of the total number of employees work mostly:

In the office: _____

Outside the Office (e.g. salesman): _____

Total : 100%

11. Please, give a breakdown of the number of your employees by the following categories:

Executive, partners:	Full Time _____	Part Time _____
Managerial:	Full Time _____	Part Time _____
Professional/Technical specialists: (e.g. lawyers, loan officers, architects)	Full Time _____	Part Time _____
Clerical: (including machine operators)	Full Time _____	Part Time _____
Trainees:	Full Time _____	Part Time _____
Others (specify): _____	Full Time _____	Part Time _____

12. Please give the total number (or percentage) of full time employees falling within each of the following annual income categories (some might be combined if necessary to protect confidentiality):

Under \$5,000 _____	\$7,000-\$7,999 _____
\$5,000-\$5,999 _____	\$8,000-\$8,999 _____
\$6,000-\$6,999 _____	\$9,000-\$9,999 _____
	\$10,000-\$11,999 _____
	\$12,000-\$14,999 _____
	\$15,000-\$19,999 _____
	\$20,000-\$24,999 _____
	\$25,000 and over _____

- 13A. TO BE ANSWERED IF YOUR OFFICE IS LOCATED WITHIN METROPOLITAN TORONTO.

Could you give us the approximate percentage of employees who reside:

In the same municipality (borough) as the office is located: _____

In the rest of Metropolitan Toronto: _____

In the rest of the Toronto Region (Hamilton to Oshawa): _____

Total: _____ 100%

- 13B. TO BE ANSWERED IF YOUR OFFICE IS LOCATED IN THE TORONTO REGION BUT OUTSIDE METROPOLITAN TORONTO.

Could you give us the approximate percentage of employees who reside:

In the same municipality (town) where the office is located: _____

In Metropolitan Toronto: _____

In the rest of the Toronto Region (Hamilton to Oshawa): _____

Total: 100%

CHARACTERISTICS
OF THE FACILITIES

14. How many square feet of space do you presently have at this location?

15. Do you own the building in which you are located?

Yes _____ No _____

16. If the answer to Question No.15 is NO, could you give us the following information regarding your lease:

Length of lease: _____ Years

Option for additional space: _____ Square Feet

Rent: \$_____ per square foot (if possible)

Included in rent (check): Water _____

Hydro _____

Heating _____

Fire Insurance _____

Security _____

Cleaning _____

Other (specify) _____

17. If the answer to Question No.15 is YES, what proportion of the total floor area of the building do you:

- Keep for your own use _____%
- Rent to other tenants _____%

18. If you own your building, what is the total area of the land on which it stands? _____ Square Feet
or _____ acres

19. If you own your building, could you give us the estimated market value of:

- the land \$ _____
- the building \$ _____

20. Does the building bear your company's name? Yes: _____
No _____

21. How many parking spaces are reserved for your company's use?

22. On the following table, please indicate the suitability of your current office space and location with respect to the factors listed by putting a check mark in the appropriate column.

In the last column of the table, please also indicate how important each of these factors is for the conduct of your operations using the following:

E = Essential

I = Important

U = Unimportant

	Very Suitable	Suitable	Unsuitable	Importance
Total Accommodation Cost (including rent, mortgage, taxes, maintenance, etc.)				
Amount of Space				
Room for Expansion				
Prestige of Building				
Prestige of Location				
General Quality of Vicinity of Office				
REGARDING STAFF				
Availability of:				
Executive Staff				
Managerial Staff				
Professional Staff				
Clerical Staff				
Other Staff (specify):				
_____ _____				
Transportation for Staff:				
Highways				
Subway				
Passenger Rail				
Other Forms of Public Transit				
Parking Space				

	Very Suitable	Suitable	Unsuitable	Importance
Proximity to:				
Shopping Facilities				
Restaurants				
Day-Care Centres				
Other Amenities				
REGARDING BUSINESS OPERATIONS				
Proximity to:				
Highways				
Subway				
Other Forms of Public Transit				
Passenger Rail				
Freight Rail				
Access to Airport				
Access to Downtown Toronto				
Availability of Parking				
Access to Customers/Clients				
Access to Suppliers				
Access to Services:				
Banking				
Investment Dealers				
Insurance				
Other Financial Institutions				
Accounting				

	Very Suitable	Suitable	Unsuitable	Importance
Access to Services:				
Management Consultants				
Architectural Services				
Engineering Services				
Advertising				
Data Processing				
Office Machine Repairs				
Maintenance Services				
Others (Specify)				

Access to Special Institutions:				
Courts				
Federal Government Offices				
Provincial Government Offices				
Municipal Government Offices				
Toronto Stock Exchange				
Canada Customs				
Others (Specify)				

Access to Hotels				
Access to Restaurants				
Access to Clubs				

Add any other factors not included on the previous table which you feel are relevant.

	Very Suitable	Suitable	Unsuitable	Importance

23. Please list in order of importance five (5) support services (e.g. banking, legal services, accounting, duplicating, printing, etc.) most necessary to the operation of your office and which are not handled within your firm.

1. _____
2. _____
3. _____
4. _____
5. _____

24. What is the access time to the five most important services listed in Question 23 above (circle the numbers 1,2,3,4, or 5 under which these services are listed in your answer to Question 23):

- within walking distance: 1 2 3 4 5
- 5 to 10 minutes driving/transit time: 1 2 3 4 5
- 10 to 20 minutes driving/transit time: 1 2 3 4 5
- More than 20 minutes driving/transit time: 1 2 3 4 5

25. For these same five services circle the number under which they appear in your answer to Question 23 if you are satisfied with their access time.

1 2 3 4 5

26. For those services whose access time is not satisfactory, indicate what you feel would be a more desirable access time, using the same categories as in Question 24.

CHARACTERISTICS
OF PREVIOUS SITE

This part of the questionnaire only applies if your company has moved its Toronto head office to this location from a previous location in the past five years. If your company has been at this location for longer than five years or if this office is a branch resulting from expansion or decentralization of specialized functions proceed directly to Question No.35.

27. What was the address of your previous location(s):

28. How many square feet of office space did you have there?:

_____ Square Feet

29. Did you own the building in which you were located?

Yes _____ No _____

30. If you owned your building in which your office was previously located:

Did you sell it after you moved? _____

Do you still own it and rent it out? _____

Do you still use it for some company functions _____

31. Did the previous building bear your company's name?

Yes _____ No _____

32. Please number in order of importance (i.e. 1 is the most important and so on) the factors that led to your company's decision to move from its previous premises to the present ones:

- insufficient amount of space: _____
- need to consolidate operations: _____
- poor transportation for employees: _____
- poor access to clients/customers: _____
- lack of prestige of previous location: _____
- building in poor physical condition: _____
- improved business opportunities at new site: _____
- rent too high in previous location: _____
- lease had run out: _____
- need to be closer to major client(s): _____
- other (please specify): _____

33. How many employees left your company within three months after it moved from its previous office to the present one:

- a large number: _____
- a moderate number: _____
- a small number: _____

34. Were the employees who left your company when you moved:

- mostly executive staff: _____
- mostly managerial/professional staff: _____
- mostly clerical staff: _____
- evenly distributed among the above categories?: _____

SELECTION OF
PRESENT SITE

35. Please indicate by a check mark if this office is a branch office resulting from:

- expansion of your company's facilities: _____
- decentralization of some specialized functions: _____
- none of the above: _____

36. When did you start operations at this address?

Month _____ Year _____

37. Was any other location considered before this present one was selected?

Yes _____ No _____

38. If the answer to Question No.33 is YES, could you please give us the general areas in which the other locations under consideration were situated? (e.g. Mississauga, Eglinton/Yonge, Downtown Toronto, etc.)

39. Please number in order of importance (i.e. 1 is the most important, and so on) the factors which made you select this site over other sites:

39. (Cont'd)

- room for expansion: _____
- general quality of vicinity of office: _____
- good transportation infrastructure: _____
- prestige: _____
- good housing available for employees: _____
- proximity to Airport: _____
- proximity to clients/customers: _____
- attractive features in lease (please specify if possible): _____

- availability of labour: _____
- proximity to support services: _____
- other (please specify): _____

OTHER CONSIDERATIONS

40. Since starting operations at your present site, in your opinion, has the rate of clerical/technical staff turnover been:
- high: _____
 - moderate: _____
 - low: _____
41. Since starting operations at your present site, in your opinion, has the rate of managerial/professional staff turnover been:
- high: _____
 - moderate: _____
 - low: _____

42. In your opinion, how likely is your company to be seeking another site within the next five years?

Very likely: _____

Fairly likely: _____

Likely: _____

Unlikely: _____

Very unlikely: _____

43. If you were to move or expand, which areas would you likely consider moving to?

Metropolitan Toronto: _____

East of Metro: _____

West of Metro: _____

North of Metro: _____

Outside of the
Greater Metro Area: _____

APPENDIX D

QUESTIONNAIRE USED IN

"DOWNTOWN" SURVEY

OFFICE LOCATION QUESTIONNAIRE

This questionnaire is part of a study of the distribution of service employment in the Toronto region jointly sponsored by the North Pickering Project of the Ontario Ministry of Housing and the Metropolitan Toronto Planning Board. All information disclosed here will be treated in strict confidence.

NAME OF COMPANY: _____

ADDRESS: Street: _____

Municipality: _____

Postal Code: _____

TYPE OF BUSINESS: (Please describe fully) _____

IMPORTANT: Your answers to the questions below should only apply to the part of the firm's operations that are carried out at the address indicated above, unless specified otherwise.

CHARACTERISTICS OF OPERATIONS

1. Does your company have other offices in addition to this one?

Yes _____

No _____

If your answer to this question is NO, proceed directly to Question No.7, below.

2. Is this office your company's head office for Canada?

Yes ____

No ____

3. If the answer to Question No.2 is NO, where is your company's head office for Canada?

City: _____

Province: _____

4. If your company operates outside Canada, is its head office for Canada the same as its international head office?

Yes _____

No _____

Company does not operate outside Canada _____

5. If your answer to Question No.4 is NO, indicate where your company's international head office is located:

City: _____

Countrv: _____

6. Check those geographical areas in which your company has other offices (not counting this office):

City of Toronto _____

Rest of Metropolitan Toronto _____

Toronto Region
(Hamilton to Oshawa, excluding Metro Toronto) _____

Rest of Ontario _____

Rest of Canada (excluding Ontario) _____

Other countries (which one(s)) _____

7. Which ones of the following functions are carried out in this office?

Firm's Internal Functions

1. General Management and Administration of Firm (e.g. executive, personnel, corporate affairs public relations, etc.) _____
2. General Financial Management of Firm _____
3. Accounting, Audit and Financial Control _____
4. Investment Management of Firm's Assets _____
5. Advertising _____
6. Purchasing _____
7. Transportation (Administration of Fleet, etc.) _____
8. Data Processing _____
9. Branch and Agency Coordination _____
10. Marketing/Sales _____
11. Research and Development _____
12. Manufacturing of Company Products _____
13. Storage/Warehousing _____
14. Others (Specify) _____
15. _____
16. _____

Customer and Client Services

17. Legal Services _____
18. Accounting _____
19. Data Processing _____
20. Advertising and Public Relations _____

21. Personnel _____
22. Insurance _____
23. Architectural Services _____
24. Engineering _____
25. Financial Services _____
26. Others (Specify) _____
27. _____
28. _____

8. Using the numbers under which the firm's functions appear in question 7, indicate:

- The functions which you consider to be absolutely essential to the operation of this office:

- The functions which, in your opinion, could be moved out of this office to another location:

EMPLOYEE CONSIDERATIONS

9. How many employees do you have in this office?

Male: Full Time _____ Part Time _____

Female: Full Time _____ Part Time _____

Total: Full Time _____ Part Time _____

10. What percentage of the total number of employees work mostly:

In the office: _____

Outside the office (e.g. salesman): _____

Total: _____ 100%

11. Please, give a breakdown of the number of your employees by the following categories:

Executive, partners: Full Time _____ Part Time _____

Managerial: Full Time _____ Part Time _____

Professional/Technical specialists: Full Time _____ Part Time _____
(e.g. lawyers, loan officers, architects)

Clerical: Full Time _____ Part Time _____
(including machine operators)

Trainees: Full Time _____ Part Time _____

Others (specify): _____ Full Time _____ Part Time _____

12. Please give approximate total (or percentage) of full time employees falling within each of the following annual income categories (some might be combined if necessary to protect confidentiality):

Under \$5,000 _____ \$10,000-\$11,999 _____

\$5,000-\$5,999 _____ \$12,000-\$14,999 _____

\$6,000-\$6,999 _____ \$15,000-\$19,999 _____

\$7,000-\$7,999 _____ \$20,000-\$24,999 _____

\$8,000-\$8,999 _____ \$25,000 and over _____

\$9,000-\$9,999 _____

CHARACTERISTICS
OF THE FACILITIES

13. How many square feet of space do you presently have at this location?

14. Do you own the building in which you are located?

Yes _____

No _____

15. If the answer to Question No.14 is NO, could you give us the following information regarding your lease:

Length of lease: _____ Years

Option for additional space: _____ Square Feet

Rent: \$_____ per square foot (if possible)

Included in rent (check): Water _____

Hydro _____

Heating _____

Fire Insurance _____

Security _____

Cleaning _____

Other (specify) _____

16. If the answer to Question No.14 is YES, what proportion of the total floor area of the building do you:

- Keep for your own use _____%

- Rent to other tenants _____%

17. Does the building bear your company's name? Yes _____

No _____

18. How many parking spaces are reserved for your company's use?

19. How important to your operation is close proximity or good transportation access to the following (put a check mark in the appropriate column).

	<u>Essential</u>	<u>Important</u>	<u>Unimportant</u>
Banking	_____	_____	_____
Investment Dealers	_____	_____	_____
Insurance	_____	_____	_____
Other Financial Institutions	_____	_____	_____
Accounting	_____	_____	_____
Management Consultants	_____	_____	_____
Architectural Services	_____	_____	_____
Engineering Services	_____	_____	_____
Legal Services	_____	_____	_____
Advertising	_____	_____	_____
Data Processing	_____	_____	_____
Office Machine Repairs	_____	_____	_____
Printing/Reproduction	_____	_____	_____
Courts	_____	_____	_____
Federal Gov. Offices	_____	_____	_____
Prov. Gov. Offices	_____	_____	_____
Municipal Gov. Offices	_____	_____	_____
Toronto Stock Exchange	_____	_____	_____
Canada Customs	_____	_____	_____
Post Office	_____	_____	_____

	<u>Essential</u>	<u>Important</u>	<u>Unimportant</u>
Hotels	_____	_____	_____
Restaurants	_____	_____	_____
Clubs	_____	_____	_____
Shopping Facilities	_____	_____	_____
Airport	_____	_____	_____
Others (specify)	_____	_____	_____

OTHER CONSIDERATIONS

20. In the past few years has the rate of clerical/technical staff turnover in your office been:

- high: _____
- moderate: _____
- low: _____

21. In the past few years has the rate of managerial/professional staff turnover in your office been:

- high: _____
- moderate: _____
- low: _____

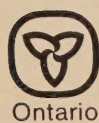
22. In your opinion, how likely is your company to be seeking another site within the next five years?

- Very likely: _____
- Fairly likely: _____
- Likely: _____
- Unlikely: _____
- Very unlikely: _____

23. If you were to move or expand, which areas would you likely consider moving to?

Metropolitan Toronto	_____	North of Metro:	_____
East of Metro:	_____	Outside of the	
West of Metro:	_____	Greater Metro Area:	_____

Government
Publications



Ministry of
Housing

Hon. Donald R. Irvine, *Minister*
R. M. Warren, *Deputy Minister*